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BANGLADESH

GENERAL ERSHAD TELLS MAIN OBJECTIVES OF ADMINISTRATION

Dacca THE BANGLADESH OBSERVER in English 11 Jun 82 p 1

[Text] The Chief Martial Law Administrator, Lt Gen H. M. Ershad, said here today that the main objective of the present Administration was to ensure two square meals daily and plain clothes to the poor and education to their children, reports BSS.

Addressing a cross-section of people, the CMLA said "we are firmly determined to achieve this objective with all our might."

He called upon the people to extend their whole-hearted cooperation to the Government in attaining this goal.

General Ershad said top priority would be given to agriculture sector to achieve self-sufficiency in food adding, agrarian reform is a prerequisite for attainment of food autarky.

The CMLA said equal education facilities would be extended to all children up to a certain level while higher education would be allowed on merit basis.

Gen Ershad reiterated that educational institutions would be free from politics and no one would be allowed to exploit the students to serve their ends.

The CMLA said that his Government intends to introduce a real democratic system in the country under which there would be no scope of exploitation of the people by the self-seeking politicians.

He said in the proposed democratic system, the rural people would be involved in all administrative and development activities.

Referring to the achievements of past two months of his Administration, General Ershad said a number of unprecedented and revolutionary measures had been taken to eradicate corruption, streamline administration and revitalise the economy.

During the meeting, the CMLA announced a grant of Taka five lakh for the completion of the under-construction Maijdi Stadium.

The Minister in-charge of the Ministry of Local Government Mr Mahbubur Rahman, also addressed the meeting.

Zonal Martial Law Administrator of Zone 'D' and GOC 33 Infantry Division, Major General Abdus Samad was also present on the occasion.

CSO: 4220/7463

DOHA SPEECH AT HAVANA NONALIGNED CONFERENCE

Dacca THE BANGLADESH OBSERVER in English 9 Jun 82 pp 1, 4

[Text]

Mr. A. R. Sissons-ad-Doha, Adviser for Information has expressed concern at the "progressing decline" in international situation and stressed that the non-aligned Movement "must come to grips" with problems in different regions "rapidly acquiring a proportion of crisis" reports BSS.

Mr. Doha was speaking as the Bangladesh delegation leader at the ministerial meeting of the Non-aligned Coordinating Bureau in Havana on Thursday (June 3), according to a PID handout issued in Dacca Monday night.

He said, "All of us in the Non-aligned Movement have the collective capability of availing this opportunity of resolving the serious issues which concern not only the future of the Movement but also that of mankind."

Mr. Doha said the meeting was taking place at a time when the international situation was on a "progressing decline" characterised by a heightening of the arms race, continuing presence of foreign occupation forces in a number of countries, a disregard for the principle of self-determination, widespread use of force and the flag; disregard for the principles of the Non-aligned Movement and the resolutions of the United Nations virtually becoming an occurrence.

Stressing the need to solve the problems he said "let us address ourselves in a spirit of understanding" to the task of coming to grips with the issues.

Mr. Doha said, the continuing acts of aggression committed by Israel and South Africa and their refusal to respond to the decisions of the United

Nations to establish an independent state for the Palestinian people and refusal to grant independence to Namibia have created situations which pose a serious threat to international peace and security.

Mr. Doha also expressed concern that "within our own Movement the number of disputes and differences have multiplied". Particularly he expressed distress at the continuing and self-defeating armed conflict between Iran and Iraq.

He said, Bangladesh as a member of the Islamic Peace Committee has made extensive and in depth efforts to bring this conflict to an end.

He called for bringing the "tragic and wasteful" conflict to an immediate end in consultation with Iran and Iraq.

He also expressed "grave concern" at the deepening crisis in the Middle East.

He said the continued Israeli refusal to vacate all occupied territories and its attempt to annex and "divide" Jerusalem and repeated aggression against Lebanon have rendered the situation in the Middle East "more explosive than ever."

He said a just and permanent peace in Middle East could only be achieved on the basis of a fully comprehensive solution which upholds the legitimate rights of the Palestinian people including their rights to have a state of their own in their homeland.

FOREIGN TROOPS PULLOUT MUST

Regarding Afghanistan and Kampuchea he said, "We should do everything possible to ensure withdrawal of all foreign troops from the two countries and to ensure that

the people in both these countries are permitted to determine their own destiny without any outside intervention or interference."

He expressed concern at the multiplication of the number of disputes and differences among the Non-aligned countries.

He said that a very special responsibility rests on the shoulders of the Organisation of African Unity to resolve the growing differences among African countries.

He said Bangladesh remained acutely conscious of the need of peace and harmony, particularly in its own region. He said, "It is for this reason that we shall do everything possible to further strengthen our relations with our neighbours and to pursue vigorously the proposal to set up a forum for regional cooperation among the countries in the South Asian region, in the economic, cultural and other fields on the basis of equality and mutual benefit." He said, "we have no doubt that this forum will contribute significantly towards peace, stability and economic progress in our region."

He reiterated Bangladesh's commitment to play an active role not only within Non-aligned Movement but in all spheres of international activity and cooperation.

THIRD WORLD COOPERATION

Mr. Doha said Bangladesh attached great importance to South-South cooperation and to promoting a meaningful North-South dialogue.

The Adviser said that Bangladesh believed that the philosophy of self-reliance was not only relevant and necessary in the pursuit of "our national development" programmes but of equal relevance in the area

of economic cooperation among the Third World countries.

He said: "we believe it is the duty of the non-aligned movement to defend the principles of the movement, the principles of sovereign equality, non-use of force, non-interference and non-intervention in the internal affairs of member states, the principle of self-determination and the peaceful settlement of disputes."

Mr. Doha said: "wherever and wherever these principles might have been violated, the movement must speak up, it must make its voice heard."

TEXT OF SPEECH

Following is the text of speech delivered by Mr. Doha: Mr. Chairman, friends and colleagues, "I deem it a privilege to be able to participate in this Ministerial meeting of the coordinating bureau of non-aligned countries and bring the greetings of the people of Bangladesh for the peoples of all non-aligned countries represented here. I also take this opportunity of expressing our sincere thanks and gratitude to the Government of Cuba not only for the warm welcome and gracious hospitality extended to us, but also for the excellent arrangements made for the conference.

Mr. Chairman, on behalf of the Bangladesh delegation, may I congratulate you on your unanimous election as the Chairman of the conference. We have no doubt that under your able guidance, the deliberations of this conference will reflect the ideals and values

which constitute the quintessence of the non-aligned movement. I also offer my congratulations to my distinguished colleagues who have been elected as Vice-Chairman and rapporteur and express my gratitude for the expression of confidence reposed in us as a Vice-Chairman of this conference.

Mr. Chairman, I would also like to join my colleagues in expressing our sincere thanks to His Excellency Mr. Fidel Castro, President of Cuba and current Chairman of the Non-aligned Movement for taking time out of his busy schedule to be present at the inaugural session of this conference. I also congratulate the Foreign Minister of Cuba, His Excellency Dr. Isodoro Matamoros Peñal for his stimulating inaugural address, the contents of which we shall have the opportunity of considering during the next few days.

Mr. Chairman, the sixth summit conference of the Non-

aligned countries held in this beautiful city nearly three weeks ago clearly and unequivocally established the independent and Non-aligned character of the movement. It is, therefore only appropriate thatavana should play host to this important ministerial meeting of the coordinating bureau.

INTERNATIONAL SITUATION

A Ministerial gathering of the Non-aligned Movement, particularly one such as this is an important occasion not merely for the movement but for the international community as a whole. These are not ordinary times. Mr. Chairman, we have seen a progressive decline in the international situation. A heightening of anti-peoples, the continuous presence of foreign occupation forces, the disregard for the principle of self-determination, wide spread use of force and the flagrant disregard for the principles of this movement and for the resolutions of the UN has become virtually an occurrence. The continuing acts of aggression committed by Israel and South Africa, their refusal to respond to the decisions of the UN to establish an independent state for the Palestinian people in the one case and the refusal to grant independence to Namibia on the other, have created situations which pose a serious threat to international peace and security.

"Within our own Movement the number of disputes and differences have multiplied. It was our hope that having been so cruelly exploited in the past, we should join hands to end all exploitation rather than expose ourselves through our own differences in increasing the magnitude of this exploitation. We ourselves have become the principal buyers of weapons, not only because of the wars that have been fought and those that are still being fought on our territories but because we live very often in fear of each other.

IRAN-IRAQ WAR

"We are particularly distressed at the continuing and solidifying armed conflict between Iran and Iraq. Bangladesh, as a member of the Islamic Peace Committee, has made extensive and in-depth efforts to bring this conflict to an end. The non-aligned movement itself on the one hand and the United Nations on the other have also spared no efforts to persuade Iran and Iraq to find an amicable solution to their problems. Tension has brought grief to the doorsteps of many developing countries and ourselves

and is likely to cause even greater loss and more grievous injury to those who are not even remotely involved. This conference, therefore, has a moral responsibility during this very session to find an acceptable way to appeal to both Iran and Iraq to halt hostilities. Mr. Chairman, we believe that this conference can take a major initiative without any further loss of time in coordinating these various efforts in consultation with both Iran and Iraq, towards bringing this tragic and wasteful conflict to an immediate end.

We believe that any further prolongation of this war, which has already taken heavy toll on life and property, while countries like mine are striving to provide square meals to our people, will lead to an irreversible system. We also believe that, unless both sides bring the war to an end in a matter of days, rather than weeks or months, the immediate future of this movement which we have nurtured and preserved in the face of operationally insurmountable odds in the past, also stands clearly threatened. It is our solemn and collective duty, Mr. Chairman and significantly at this point of time, under your leadership to ensure that this does not happen. We, on our part therefore assure you of our utmost cooperation in your own sincere efforts in effecting a smooth uninterrupted transition to the next summit conference at Baghdad while applying ourselves immediately to the task of persuading Iran and Iraq with both of whom my country enjoys excellent relations, to terminate this terrible and senseless conflict.

M.E. CRISIS

We view with grave concern the deepening crisis in the Middle-East. The continued Israeli refusal to vacate all occupied territories and their attempt to annex and judaize Jerusalem together with their repeated aggression in southern Lebanon have rendered the situation in the Middle East more explosive than ever. The extraordinary meeting of the coordinating bureau of the non-aligned countries on the question of Palestine which was held in Kuwait last April adopted a programme of action which must be supported by all of us. We must maintain uniform and united position on this vital issue and avoid unilateral action which can only cause divisions within our ranks. Similarly, the programme of action recommended by the sixth session of the Al-Quds committee recently

held in Ifraa in Morocco should also be strongly supported. We must reaffirm our firm conviction that a just and permanent peace in the Middle East can only be achieved on the basis of a fully comprehensive solution which upholds the legitimate rights of the Palestinian people including their right to have a state of their own in their homeland. We are convinced that all member-states will act in concert in exerting economic, political and social pressure on Israel to comply with the decisions and resolutions of the United Nations.

A very special responsibility Mr. Chairman also rests on the shoulders of the OAU to resolve the growing differences among the African states. This great continent of Africa, a continent of freedom-fighters who have successfully thrown off the colonial yoke should join hands in the battle against freedom and hunger.

TURKISH TALKS

It is a matter of regret, Mr. Chairman that the inter-communal talks between the Turkish and Greek communities in Cyprus have made so little progress we would urge both the communities to engage in meaningful discussions and recommit themselves seriously to reach a mutually acceptable agreement which would enable both the communities to live with a sense of freedom and dignity within the framework of a federated Cyprus where the rights of both the communities are fully protected.

We believe it is the duty of the Non-aligned movement to defend the principles of the movement, the principles of sovereign equality of states of territorial integrity the non-use of force non-interference and non-intervention in the internal affairs of member-states the principle of self-determination and the peaceful settlement of disputes. Wherever and whenever these principles may have been violated the movement must speak up it must make its voice heard. Thus in the case of Afghanistan and Kampuchea we should do everything possible to ensure withdrawal of all foreign troops from these two countries and to ensure that the peoples in both these countries are permitted to determine their own destiny without any outside intervention or interference.

DACCA CONSCIOUS OF REGIONAL HARMONY

Mr. Chairman, in Bangladesh we remain acutely conscious

of the need for peace and harmony particularly in our own region. It is for this reason that we shall do everything possible to further strengthen our relations with our neighbours and to pursue vigorously the proposal to set up a forum for regional cooperation among the countries in the South-Asian region in the economic, cultural and other fields on the basis of equality and mutual benefit. We have no doubt that this forum will contribute significantly towards peace, stability and economic progress in our region.

We would also like to assure our brothers in the Non-aligned movement that Bangladesh has every intention to play an active role not only within the Non-aligned movement but in all spheres of international activity and cooperation. We attach importance to South-South Cooperation and to promoting a meaningful dialogue between the North and the South. At the UN in New York Bangladesh will continue its efforts in concert with the members of the Non-aligned movement and the Group of 77 for the early launching of the global negotiations. We will also do everything possible to give substance to South-South Cooperation and to harmonize the efforts of the Non-aligned movement and the Group of 77 as well as the various bodies and specialized agencies of the United Nations in the field of economic cooperation among developing countries.

PHILOSOPHY OF SELF-RELIANCE

Mr. Chairman, we believe that the philosophy of self-reliance is not only relevant and necessary in the pursuit of our national development programmes but is of equal relevance in the area of economic cooperation among the countries of the third world.

During the past 20 years, we have seen the growth and development of the Movement. We have seen the membership increase nearly four-fold. On the basis of the principles of the movement we have successfully carved out an important role for the Non-aligned movement in international affairs. Our effectiveness has to a large extent been determined by our capacity to take united action on the basis of the principles of the movement. We have also shown that this movement, notwithstanding its size and composition, its divergence of ideas and approaches, was in fact remained both dynamic in character and

flexible in its method of work capable of taking bold and innovative action. While in the sixties we were engaged in combating colonialism, our struggle today is essentially one for economic emancipation. The movement has traditionally played a historic role in giving direction and leadership in the struggle for a new international economic order. We are confident that at the seventh summit conference, the movement will continue to play this historic role in providing guidance and direction to the international community.

Last but not least, Mr. Chairman, I would like to reiterate that while we are in session, there are events in action which are rapidly acquiring a proportion of crisis. Our movement must come to grips with these events because I feel that each and every one of us are directly involved in them and equally all of us have the collective capability of availing this fleeting opportunity of resolving these serious issues which concern not only the future of this movement but also that of mankind. Let us address ourselves in a spirit of urgent dedication to this task.

BANGLADESH

EXCERPTS FROM AMINUL ISLAM SPEECH TO ILO SESSION

Dacca THE BANGLADESH TIMES in English 10 Jun 82 p 5

[Text] I consider it a privilege to be able to participate in this unique conference of Workers, Employers and Government delegates from almost all countries of the World. ILO because of its concern for social justice is respected widely and I hope this conference will further promote the cause so ably advocated by ILO for so long.

On behalf of the Bangladesh delegation, I take this opportunity to convey our greetings to the Workers, Employers and Government delegations attending the conference.

The report of the Director General very rightly dwells on the most important issue facing social and economic development, today I refer, Sir, to the problems of the youth. The Director General, deserves our appreciation for presenting such a comprehensive report on the subject and for highlighting the relevant issues in this context. We are also pleased to note that this conference has been asked to suggest guidelines for ILO activities during 1985 --the international year of the youth.

We are in agreement with most of the findings and recommendations of the report on the problems of the youth. We agree that the most pressing problem of the youth is that of unemployment and under-employment. We also recognise that the problems of youth unemployment cannot be dealt in isolation and that the solution lies basically in accelerating investment and production.

We, in Bangladesh, have initiated several programmes and projects for the development and utilisation of youth in an integrated manner. A division of youth affairs has been established in the Ministry of Labour and Manpower. Several projects for training the youth in regular institutional programmes as well as in specially organised programmes in institutions and in employing establishments are under implementation. Such training programme are not meant for home market alone. Training in trades demanded abroad has also been organised for the youth of the country.

The Ministry of Labour and Manpower is playing a coordinating role in the programme for skill development of the youth. A National Council for Skill Development and Training (NCSDT) has been functioning in the country under my

Chairmanship. This council is responsible for standardising and coordinating training programmes undertaken by different agencies. The capacity for training craftsmen has been substantially augmented by setting up new training centre as well as by introducing additional shifts in the existing centers. A favourable response has been received and all of our training institutions are now working in several shifts. We have begun implementation of a programme to develop a capacity of training about 38,276 craftsmen a year by 1985.

The major problem in expanding vocational training facilities is the cost of equipment. The suppliers of equipment needed for a vocational training institution have raised the prices manifold in recent years. We depend largely on external assistance for equipment for our training centres. ILO has helped us in the past, in arranging financial grants from other agencies. It is necessary to explore possibilities of reducing cost of these equipment. One way may be to arrange production of equipment in the requiring country. As labour cost in developing countries is much lower, it will apparently be substantially cheaper to manufacture these equipment in the requiring countries. ILO may explore this possibility, while administering UNDP or other funds for equipment of the vocational training institutes in developing countries.

Training for self-employment is another major area where ILO could assist. Ministry of Labour and Manpower in Bangladesh along with several other agencies of the government have successfully launched programmes of promotion of self-employment. Area-specific rural investment schedule were prepared by the Bureau of Manpower, Employment and Training and youths of the area are being provided with credit to set up economic ventures of small sizes in accordance with the investment schedule. Technically trained persons are being encouraged, through another nation-wide programme, to set up their own miniworkshops, by providing suitable Tool-kits on loan. Rural employment camps of short durations are being organised by the Bureau of Manpower, Employment and Training in selected villages during which period, village youths are assisted, in firming up their ideas on self-employment ventures and in establishing links with commercial Banks for obtaining credit. The youth affairs Division is also sponsoring training courses for youth in existing training institutions to promote self-employment.

Vocational guidance for rural youths and for Urban youths of middle income families is another important activity of the Ministry of Manpower. In collaboration with the Ministry of Education, a series of training programmes in vocational guidance for Secondary School Teachers has been launched. Ways and means will need to be explored to provide such guidance to out-of-school youth.

Many of these programmes, have been launched on pilot basis due to resource constraint. The need for organising a comprehensive training programme covering craftsmen training, rural and agricultural vocational training, training for self-employment instructors training and vocational guidance is urgent in Bangladesh. I would like to suggest that ILO, may consider launching comprehensive skill development projects of the type described

earlier, in selected countries, Bangladesh will be willing to cooperate fully, if such a project is to develop by ILO in Bangladesh.

ILO activities mentioned in the report of the Director-General, speaks of the continued efforts made by ILO in promoting economic development with social justice. The Technical Assistance Programme implemented by ILO covered a wide range of fields from vocational training to labour statistics.

The main thrust of ILOs technical assistance should be on development of expertise at national level as well as for strengthening national institutions. Currently, in most ILO projects under implementation in Bangladesh, cost of ILO projects under implementation in Bangladesh, cost of ILO experts constitute 50 to 70 per cent of the total project cost. In majority of the ILO projects in Bangladesh, equipment including vehicles for experts, costs less than 30 per cent of the total. Training of national level officials costs less than 10 per cent of the total in two-thirds of the ILO projects in Bangladesh. It is necessary to rationalise these expenditure with a view to increase cost-effectiveness of technical assistance of ILO.

Technical Assistance from ILOs own budget is rather small in Bangladesh. The need for devoting larger share of ILO budget to technical assistance has been mentioned repeatedly in this forum. I would like to draw the attention of the Director General and the governing body to this matter once again.

Regional projects like ARTEP, APSDEP and ARPLA can play a much more effective role than has been possible hitherto. These projects may be encouraged to undertake activities of immediate importance to the countries of the region. Staff training for national level officials should constitute a major items [sic] of their activities. The governments of the region should be associated with the formulation of programmes of these regional projects, as far as possible. Similarly, the technical assistance activities of the regional offices of the ILO may also be reviewed periodically by a forum of the government of the region.

The agenda of this conference includes items of vital concern to developing countries. One such item is the maintenance of migrant workers' rights in social security. Number of migrant workers' rights in social security. [sic] Number of migrant workers from Bangladesh has been on rapid increase in recent years. Many Asian countries including Bangladesh, is facing the problem of unemployment among educated youth. Some relief to this problem could be provided by a liberal policy of the countries requiring manpower. I would suggest that a study on this problem may be commissioned by ILO to suggest ways of mutual cooperation between countries facing manpower shortage and those facing problems of educated unemployment.

The agenda also includes discussion on the report of working party on structure. This issue is being debated for more than a decade now. It has not been possible to reach a definitive consensus on the structure of ILO over this long period. The work is no doubt complicated and complex. Let me hope that the issues will be resolved in a spirit of mutual trust and good-will as soon as possible.

I would like to stress once again, that the laudable objectives of the ILO will need to be sustained with effective programmes, to help eradication of poverty and unemployment. Greater attention will need to be paid to the requirement of developing countries, in this context. Decentralisation of ILO administration assist in developing programmes of immediate importance to developing countries.

Before I conclude, I would like to bring to the notice of this august gathering that the problem of the Least Developed Countries has been recognised by the International Community as a pressing one calling for special measures to meet their economic problems during this decade. I would be grateful if ILC takes special measures for assisting, the Least Developed Countries in developing their economy.

CSO: 4220/7462

BANGLADESH

FAMILY PLANNING PROGRAM DESCRIBED, PROGRESS TOLD

Dacca THE BANGLADESH OBSERVER in English 26 May 82 pp 1, 12

[Text] Nineteen per cent fertile couples in the country have accepted continuous family planning methods till 1981. This has involved a total expenditure of about Tk. 165 crore.

The rate of fertile couples under planned parenthood was eight per cent in 1979 and it registered a rise of 14 per cent in 1980. In 1981 the rate was further increased to its present level at 19 per cent.

In 1976, the population explosion was seriously considered and identified as the number one national problem. Some emergency measures were taken up to contain baby boom.

The target was fixed at 37 per cent till the end of Second Five-Year Plan due to expire in 1985.

The total number of people accepting continuous family planning methods was about 2.3 million in 1980 which the Government expects to rise to almost 7.3 million by the end of SFYP period (1985). In 1976 the family planning programme was for the first time integrated with the national development programmes. The Government had fixed up the target to reduce the population growth from the existing rate of 2.7 to 1.7 by the end of SEYP period beginning from 1982.

Meanwhile the Government has adopted 62 different programmes to achieve the target. Of the total programmes, 32 are under the Population Control Division of the Ministry of Health and Population Control and the rest 30 are under different ministries.

A sum of over Tk. 353 crore was allocated under the Annual Development Plans (ADP) from 1972-73 to 1980-81. There is a big gap of over Tk. 110 crore between the Budget allocation and the disbursement of fund for population control activities since independence of Bangladesh till 1981, according to available statistics.

The year-wise ADP allocation and disbursement is as follows: 1972-73 allocation Tk. 5 crore and the amount disbursed is not available; 1973-74

ADP allocation was Tk 7 crore and disbursement was Tk 4 crore, 1974-75
ADP allocation was Tk 7.74 crore and disbursement was Tk 6.16 crore, 1975-76
ADP allocation was Tk 19.59 crore and disbursement was Tk 16.24 crore;
1976-77 ADP allocation was Tk 21.64 crore and disbursement was Tk 19.38
crore; 1977-78 ADP allocation was Tk 32 crore and disbursement was Tk 26.47
crore; 1978-79 ADP allocation was Tk 46.74 crore and disbursement was Tk
43.11 crore; 1979-80 ADP allocation was Tk 59.27 crore and disbursement was
Tk 50.90 crore while ADP allocation for 1980-81 was 69.64 crore and the
disbursement amount is not available.

The Government has allocated Tk 84.28 crore in the ADP for 1981-82.

During the First Five-Year Plan (1973-78) 70 million U.S. dollar was committed for the population sector. Of the total commitment, World Bank with its six co-financiers namely Australia, Canada, West Germany, Norway, Sweden and the United Kingdom provided U.S. dollar 39.7 million, United Nations Fund for Population Activities (UNFPA) gave 10.50 million U.S. dollars and USAID gave U.S. dollar 14 million. In addition to this, FPIA, Japan, the Netherlands, Pathfinder and Ford Foundation provided U.S. dollar 5 million.

There is World Bank commitment of U.S. dollar 100 million with its six co-financiers for the Second Five-Year Plan (1980-85) USAID has committed to provide 25 million U.S. dollar up to 1983 and another 25 million U.S. dollar up to 1985. UNFPA has also committed to provide U.S. dollar 25 million for the SFYP.

Thirty-two programmes undertaken by the Population Control Division under the Ministry of Health and Population Control include family planning scheme for providing organisational support, training of family planning assistants, family welfare assistants, family welfare workers, use of rural folk talents, planning cell, community based extensive family planning projects, voluntary sterilisation, establishment of union family planning welfare centres, setting up of maternity child health care, construction of 19 training centres for family planning, assistants and family welfare assistants with a view to achieving the government target of increasing continuous acceptance of family planning devices to 37 per cent by the end of Second Five-Year Plan period.

Besides, there are 30 multi-sectoral programmes undertaken by other ministries for motivational and community participation of people in family planning activities during the SFYP. Some of the projects under other ministries include establishment of model clinics attached to four medical colleges, operational support to the model clinics, operational support to family planning clinics at 43 subdivisional hospitals.

Some of the other programmes include use of rural mothers centres for population activities, population and family welfare motivation, population and family welfare education, establishment of population study centre, population and development planning unit, study of the determinant fertility behaviour in Bangladesh and demographic survey.

CSO: 4220/7446

BANGLADESH

JOINT PRESS STATEMENT ON BANGLADESH-INDIAN TALKS

Dacca THE BANGLADESH OBSERVER in English 24 May 82 pp 1, 8

[Text]

Bangladesh and India have agreed to resolve the outstanding issues of sharing the Ganges waters at Farakka, implementation of 1974 Land Boundary Agreement, the question of South Talpatty Island and delineation of the maritime boundary through amicable negotiations "as soon as possible".

The joint Press statement issued after the formal talks held on Sunday morning between the Indian Foreign Minister Mr. Narasimha Rao and Mr. A.R. Shamsud Doha, Adviser in charge of the Ministry of Information said that the two countries would meet frequently and approach the problems in a spirit of "goodwill, cordiality and good neighbourliness".

The one-day Foreign Ministers' level Indo-Bangladesh talks which the two sides said were held in an atmosphere of warmth, friendship and cordiality decided to intensify efforts to expeditiously find a mutually acceptable solution to the problem of sharing of the Ganges waters at Farakka and augmentation of its flows. The two sides have also agreed to finalise the terms and conditions of the lease in perpetuity of the Tin Bigha corridor.

The talks held between the two countries in resumption of the talks held in New Delhi in September last were also participated by Mr. Eric Goncalves, Secretary (East) of the Indian External Affairs Ministry and Mr. Humayun Rasheed Chowdhury, Bangladesh Foreign Secretary.

The Dacca talks decided to set up a joint economic commission to further the economic and technical cooperation between the two countries. Both

sides have also agreed that the bilateral relations should be given further impetus through frequent consultations and exchange of visits at all levels to promote an atmosphere of goodwill conducive to co-operation and understanding of the two and the resolution of all outstanding problems between the two neighbours.

The two sides have agreed to cooperate with other countries in the South Asian region to maintain the momentum of progress in the implementation of the proposal for regional cooperation among South Asian countries.

Later in a joint Press brief, the Indian External Affairs Minister Mr. Narasimha Rao struck a note of optimism hope and confidence about the outcome of the Dacca talks. He termed the talks as 'very cordial' and described the joint Press statement issued on the talks as a 'hopeful formulation'.

Asked whether the talks have been able to bridge the gaps between the two countries on the outstanding issues the Indian External Affairs Minister said 'I have every confidence we are making progress'. But he refused to make a comparison between these talks and the last one held in New Delhi in September last.

Replying to a question by an Indian journalist on the possibility of a summit meeting between Prime Minister Indira Gandhi and Chief Martial Law Administrator Lt. General H.M. Ershad, the Indian Foreign Minister said "They are at liberty to meet any time". He however, added that such a meeting could be arranged at mutual convenience.

Referring to his meeting with the CMLA Mr. Narasimha Rao

said that he had very cordial discussion on matters of mutual interest with the CMLA. He said that the CMLA had informed him about different welfare projects and also the problems Bangladesh was confronting today. "It was a fruitful discussion" he added.

Asked whether they have fix the date of their next talks Mr. A.R. Shamsud Doha came up with a prompt reply "We are meeting again in Havana". Mr. Narasimha Rao nodded smilingly to Mr. Doha. He

however said that they would keep constant touch as "we are going forward to each of the issues and problems".

Replying to a question the Indian External Affairs Minister gave a categorical assurance of ratifying the 1974 Land Boundary Agreement as soon as the demarcation of boundary was completed.

The Secretary of the Indian External Affairs Ministry Mr. Eric Goncalves said that there was not much disagreement on the implementation of the 1974 agreement. He confessed that there was a slow progress in the demarcation process. Bangladesh Foreign Secretary Mr. Humayun Rasheed Chowdhury said there was now only physical difficulty in the implementation of the agreement.

When asked by an Indian journalist whether they talked on Enemy Property Act vis-a-vis the minority community in Bangladesh, the Indian External Affairs Minister said that the issue did not come up for discussion in the talks. He added that the Government of Bangladesh would look into it.

TEXT OF STATEMENT

Following is the joint press statement issued on the conclusion of Indo-Bangladesh

talks in Dacca on Sunday says a PID handout.

"At the invitation of H E Lt General H M Ershad, I&G, Chief Martial Law Administrator and Commander-in-Chief of the Armed Forces, H E Mr P V Narasimha Rao, Minister for External Affairs, Government of India paid an official visit to Bangladesh from May 21 to May 23 1982.

During his stay H E the Minister for External Affairs of India called on the Chief Martial Law Administrator and held detailed talks. Formal round of talks was held between the two sides on May 23, 1982 in resumption of the talks held in New Delhi in September, 1981. Bangladesh side was led by H E Mr A R S Doha, Adviser-in-charge Ministry of Information assisted by H E Mr Humayun Rasheed Chowdhury Foreign Secretary of Bangladesh and other senior officials. The Indian side was led by H E Mr P V Narasimha Rao assisted by H E Mr Eric Gonsalves, Secretary (East) and other senior officials.

Wide ranging talks were held in an atmosphere of warmth, friendship and cordiality. The two sides reviewed their bilateral relations and also discussed regional and international issues of mutual interest.

The two sides agreed to intensify efforts to expeditiously find a mutually acceptable solution to the problem of sharing the waters of the Ganges at Farakka and augmentation of its flows and that such efforts should continue until solution

is found to the mutual satisfaction of both countries. For this purpose both sides agreed to meet frequently and approach the matter in a spirit of goodwill, cordiality and good neighbourliness.

Both sides agreed that all other outstanding issues between the two countries, including the implementation of the Land Boundary Agreement of 1974 and finalisation of the terms and conditions of the lease in perpetuity of the Tin Bihua Corridor the question of New Moore/South Talpatty Island and the delineation of the Maritime Boundary will be resolved peacefully through amicable negotiations as soon as possible.

Both sides agreed that their bilateral relations should be given further impetus through frequent consultations and exchange of visits at all levels to promote an atmosphere of goodwill conducive to further consolidation and strengthening of these ties and the resolution of all outstanding problems.

The two sides agreed to set up a Joint Economic Commission, with a view to further developing economic and technical cooperation between the two countries, to their mutual benefit.

The two sides agreed to take all steps in close concert with other countries in the South Asian region to maintain the momentum of progress in the implementation of the proposal for Regional Cooperation among South Asian Countries".

CSO: 4220/7444

BANGLADESH

TEXT OF GENERAL ERSHAD'S 9 MAY RADIOTELEVISION SPEECH

Dacca THE BANGLADESH OBSERVER in English 10 May 82 pp 1, 8

[Text] Chief Martial Law Administrator, Lt Gen, H.M. Ershad on Sunday called for united struggle based on the solidarity of the people and the soldiers for economic emancipation, establishment of the rule of law, social justice and real democracy and for welfare of the masses, reports BSS.

Addressing the nation over radio and television the Chief Martial Law Administrator gave a resume of the steps taken by the government in different sectors of national life in the one and a half months of the Martial Law which he said was in the interest of nine crore people. He was confident of success to turn the wheel for quicker progress.

Gen Ershad dwelt on measures to weed out corruption, re-cast administrative system, effect land reforms and judicial administration reforms, establish rule of law. He also dwelt on food situation, economic emancipation, health and population control and foreign policy.

The CMLA announced that the government would shortly form a land reform commission to firmly establish the legitimate rights of the farmers and make these rights secure.

The Government, he said, was aware of why the past attempts for land reforms failed. The vested interests, would not be allowed to stand any more in the way of carrying out the land reforms which is a matter of vital national importance.

Gen Ershad briefly outlined the proposed administrative structure with thana taken as its nucleus and other measures adopted in the past one month and a half. These, he added, were aimed at retrieving the situation from further drift towards worsening conditions.

The Chief Martial Law Administrator said the administrative system carrying legacy of colonial past would be recast to bring it closer to the people and reach it to the "doorsteps" of the people, and ensure their participation in it.

Gen Ershad said high ranking and responsible officers would be posted at thana-level to work "in consultation with the people's representatives." They together would formulate development plans and execute those in their areas.

Referring to the food situation immediately before the army take-over the C.M.L.A. said it had come to such a pass that the delay of promulgation of Martial Law by one week more would have lead the nation towards a devastating famine.

He said lack of farsight and ill-management in the past had brought the country to a state of acute food crisis. Endless corruption, administrative failures and smuggling of food grains from government stores were responsible for it.

The food situation- he added, had deteriorated so much that reports of deaths from hunger in Khulna before March 24 had started coming. Our food policy has been successful and by the grace of Almighty Allah the country has been saved from famine.

The C.M.L.A. recalled the supreme sacrifices made by the people in the War of Liberation and their high hopes. But in the end people got nothing though governments one after another promised and pledged to carry out those in the name of Allah.

Ninety per cent people of the country are cultivators, labourers, students, soldiers, coolie, men of low-income group and small businessmen. What have you got in return? Did the condition of the common man improve or deteriorate, he asked.

Gen Ershad wondered if the people shed blood and sacrificed honour for this result and added: "If this is the outcome of politics I do not understand it and I do never want to understand it either."

"I am a soldier with simple heart," he said and added: "the soldiers of the country understand only one thing--the common people are oppressed, welfare of the people is our aim and objective ar: our task as well."

Gen Ershad said they took over the administration to secure the rights of the people, re-cast social order in their (people's) interest, strengthen Bangladeshi national identity. Hence "it is a Martial Law with a difference."

The Chief Martial Law Administrator declared that the present Martial Law was "in the interest of the people. It is people's Martial Law and this Martial Law is the rule of nine crore people" of the country.

The CMLA said however difficult the task may be for the realisation of the national objectives set or however insurmountable the obstacles may be our faith in the Almighty and patriotic fervour flowing from unity would lead us to success.

Gen Ershad said: "We have to share our poverty and give up personal ambition to build private property and continue to work in the larger interest of the nation. Unity of the armed forces and people and their combined efforts would Inshallah help us achieve success.

Gen Ershad said the political independence of a country was "meaningless" without economic emancipation. But corruption, unplanned expenditure, programmes with flaws, indecisiveness and wastages brought about economic devastations.

The life of the people, he added, became miserable for price spiral of goods, fall in production in the fields and factories and inflation. He referred to five steps to salvage the economy from the "disastrous" situation.

Gen Ershad said the corruption must be weeded out and all our efforts are in that direction. The government offices, autonomous bodies and semiautonomous bodies could not escape these steps taken by the government.

He said the anti-corruption measures would be stepped up gradually and the drive would be reinforced. People are already cooperating and some leaders and officials were arrested on charges of corruption.

Gen Ershad declared that stern actions would be taken against the corrupt people and severe punishment would be awarded to those found guilty. We are respectful to the rule of law and nothing would be done without due process of law.

Full Text

Following is the English rendering of the Chief Martial Law Administrator, Lt Gen H. M. Ershad's address to the nation over Radio and Television in Dacca on Sunday night, reports BSS.

Dear countrymen.

Assalamu Alaikum.

After about one and a half month of the promulgation of Martial Law in the country I have come again before you. It is needless to say anything about the serious deadlock created in the social, political, economic and administrative fields before the Martial Law. The problems in all sectors of the national life are so much critical and greater that overnight or instant solution is not possible.

That is why we are to advance stage by stage. Despite so many obstacles the present Government has quickly implemented quite a number of pro-people programmes. Implementation of such programmes by resisting the vested interests is unprecedented in our contemporary history. This is why the entire people have greeted the Martial Law today with delight. In the meantime you have become aware in which areas priorities have been given.

Corruption

At the outset something must be told about corruption--the principal enemy of the society. You know, this fortress of corruption has been built up by those powerful vested interests in the upper echelon of the society.

That is why this hated disease is so much comprehensive in its intensity. An all-out determined drive with a noble target to uproot this all-embracing and powerful illness of corruption is underway.

No sector of the national activities whether in the government or semi-government, autonomous or private will be spared from this drive a huge number of proofs and depositions in respect of corruption are being received by us. Hence this drive will gradually gain strength. You know, a number of leaders and government officials including others have been taken into custody on charge of corruption and cases have also been instituted against them in the Martial Law Courts. I want to declare it without ambiguity that those who are responsible for corruption against national interests will be appropriately and severely punished. But that will be done through the process of law as we are deeply respectful to the Rule of Law as a civilised nation and we are determined to punish all indulging in crimes through the process of justice. For that, two Special Tribunals and 34 other Martial Law Courts have been set up in the country. Moreover, wealth accumulated through corruption will not be allowed to be enjoyed. Those wealths will be confiscated in the public interest. Corrupt people will be condemned in the society and we must exercise alertness to see that those corrupt people cannot use their wealth to increase their honour and influence in the society.

Administrative System

Colonial administrative system in this country is one of the main carriers of corruption. We have decided to recast this moth-eaten administrative system unsuitable for an independent country and we have taken steps for a number of changes in some important areas in the administration. These changes would not only increase proficiency but there will be marked progress in the national economy which is overburdened with the system of top heavy administration. Already we have been successful in saving a significant amount of foreign exchange by rearranging the Ministry of Foreign affairs. Similarly the number of our Ministries have been brought down to 17 from 42. Divisions in the Ministries have been decreased to 47 from 52. In this way the number of sector corporations and boards will be decreased. There are 163 such boards in the country, namely, the Cotton Board, Horticulture Development Board, Handloom Board and the Seed Board, etc. Those organisations eat up huge amounts of revenue thought their assistance in the fields of production is almost nil. Those must be reorganized; interconnected offices will be amalgamated to reduce their number.

One of our main principles is to reach the overall administration to the people. For that reason we have decided to take the administration to the thana level. The main goal of this extensive decentralisation process is

to build up each village as self-reliant because without development of the villages the overall development of the country is never possible. We do not at all believe in the past policy of dazzling urbanity of the towns. That is why it has been decided that this propeople administrative system will be introduced with a view to achieving welfare of the ninety per cent of the people. Under this plan each thana will become the nucleus of administration when people of that area will not have to look up at someone's race for the implementation of the development programmes. Such high-ranking and responsible officials will be placed at the thana who will discuss with the representatives of the people in adopting development plans of the area and will be able to implement them. Each thana in the country will become self-reliant through this process of decentralisation of power and authority. At the same time they will be made responsible as well as accountable for their activities to the people under the system. In fact this decentralisation process of administration will be an important step toward restoration of power and rule in the hands of the people.

Several administrative inquiry commissions and committees have been set up with a view to improving management system and eradicating anarchy and irregularity from the different administrative organisations and institutions. For example a board has been set up to survey and spot the abuse and wastage in respect of the Government and semigovernment vehicles to find out a permanent solution. We have seen organisational weaknesses procedural red-tapish [sic] and a sense of division of specific responsibilities in the ministries divisions and the directorates under them.

The excesses of red tape had created obstacles everywhere besides disparity and bad blood had been created amongst the different cadre services in the name of so-called administrative reorganisation. Injustice had been done to many officials and employees resulting in the creation of dissatisfaction amongst them. Considering the long-standing administrative bottlenecks a high-level administrative enquiry commission has been formed for its permanent solution. This committee would recommend radical change of the administrative system, bring the administration to the doorstep of the people, ensure the participation of the people and wipe out colonial legacies from the administration.

The functioning and the formation of the statutory corporations should be examined. As you know here are five bodies dealing with jute alone and that is why our golden fibre is in such bad condition. There are two organisations for industrial loan; the Shilpa Bank and the Shilpa Rin Sangstha-- several others for yarns and cloths, two for river transportation, a number of organisations are being run for a single job. Only narrow party and individual interest of the powerful persons were behind this. Those leaders had sacrificed the interest of the country and the people without any hesitation. It has become necessary to wind up and reunite these organisations with a view to minimising expenditure and to attain efficiency. Along with this the corporations should without delay stop the way they are increasing.

As the nation cannot carry the burden of these debts, an enquiry committee has also been set up to examine the functioning of the sector corporations. I have only mentioned about a few commissions and committees.

Steps for timely examination and corrective measures would be taken in the nationally important sectors. It requires time to modify the long standing indiscipline and mismanagement.

We have given due importance to minimise expenditure in administration. To check wastage and maintain austerity I called upon all government officials, employees and citizens to follow this principle in all walks of life. To follow this principle is the manifestation of love for the people and of patriotism. As you know, crores of Taka in foreign exchange are being saved through the check on the misuse of government vehicles. Expenditure in foreign currency has also been curtailed as a result of primary reorganisation of the Foreign Ministry. These type of reorganisation would be made in the future. I have issued strict orders to maintain the policy of minimum expenditure in all sectors and it would be possible to utilise the money in the development sector by minimising huge revenue expenditure.

At the same time I would appeal to the officials and employees of all government and semi-government offices to bring a new wave of working spirit and enhance the skill through discipline and punctuality.

Let us create a new tradition of public servants in all offices and courts. Let the people observing our earnestness, change their attitude towards us, let them say no more that people are only harassed and nothing worthwhile is done in the offices. You better earn appreciation and honour from the people through your deeds. Let it be the goal of all officers and employees of Bangladesh to glorify the administration as servants of the people.

Land Reform

The most important element of our economic growth is the development of agriculture and the prerequisite and main condition for agricultural development was land reform. You all are aware that the poor and small farmers are becoming landless peasants. This has broken the moral strength of our farmers. The real heroes of agricultural development. In reality they (farmers) are not getting encouragement to boost production. That is why the main purpose of land reform will be the establishment and protection of the interests of the peasantry. I believe that if we could dispel disparity in the rural life, establish the right of the peasants and inspire them properly, we can substantially increase production by appropriate use of limited inputs. Land reform is a complicated issue, governments in the past have failed to carry out land reforms because of a number of reasons. We are conscious about it and will not allow vested interest to create impediments in materialising this nationally important issue. To take necessary measures in this regard a land reform commission will soon be constituted after a thorough discussion of the matter. I want to assure the farmers that we will establish the rights of the peasantry as a matter of principle.

Judiciary

One of our main objectives is to bring about a reform in the age old judiciary. You all know that because of the colonial system of the judiciary most of our people are deprived of justice. We also know that because of complicity and sluggishness in the judicial system, the people have to undergo untold sufferings. That is why we are endeavouring to decentralise the judiciary so that the system becomes speedy and reaches people's door-steps. Under the new system, a bench of the High Court will be established in each Division and that it would come into effect from June 15. Besides this, measures are being taken to relieve the village people from excessive cost on this head and to ensure that they get justice quickly. The judiciary will be so stratified that the villagers get all facilities in seeking justice at their thana headquarter so that he may not be harrassed and reduced to pauper by selling his movable and immovable properties to attend courts on different dates. We are determined to bring about fundamental changes in the system which in the name of justice was actually exploiting the masses.

Rule of Law

In the meantime some significant steps have been taken in the law and order sector as a result of which it was possible to arrest a large number of miscreants including hardened criminals, thieves and dacoits. Besides, effective measures have been taken to recover illegal arms. There is no doubt that it is a matter of relief to notice the sign of peace and tranquility in the rural and urban areas during this brief period of Martial Law, because peace and discipline were the pre-condition of all kinds of development activities. On this point I was not to say in clear terms that we are firmly determined to suppress any miscreant with iron hand in the interest of law and order. In our society justice had so long been neglected. Many leaders and persons wielding power were involved in unlawful activities and obtained pecuniary benefits. Exerting influence they obstructed the law enforcing agencies. Being the rulers they showed utter disrespect to the Rule of Law. As a result, trend to obtain special privileges by defying law, exploiting the pitfalls of law and even by breaking law in some cases spread in the society. The influentials, their relations and others under their shelter used to remain above law. Carrying illegal arms these people used to undauntedly move about and repressed the innocent city dwellers. In any civilised society such a condition is deplorable because it weakens the law and order structure in the society.

The masses lose their faith in and respect for the law and the society plunges into a stage of anarchy. This condition must have to be changed. Nobody will remain above law. The policy to ensure justice and equal rights to all would be our basic principle in regard to law, and we are determined to implement this firmly. I have asked to law enforcing agencies to apply law firmly. They will have to apply law remaining above all kinds of influences. I have asked the police force to work very sincerely and control the law and order with full dutifullness. All were warned that those failing to perform their duties would be severely dealt with. Even the police officers

will be held responsible for thefts, dacoity and hijacking in their respective thanas and severe steps would be taken against the responsible persons. There are many honest and sincere persons in the police department. This firm step would be taken to protect them as well as the greater national interest. Reforms in Police Department are also under active consideration in order to make the entire police administration more effective.

Food

As you know the country faced an acute food crisis in the past due to mismanagement and lack of farsightedness. Unbridled corruption and stagnancy in administration caused pilferage of thousands of maunds of foodgrains from the country's food godowns although correct accounts written in papers, incredible though it may sound the country would have plunged into serious famine if Martial Law was proclaimed a week later.

You all know this as well that news about death from hunger had started to be reported from the remote areas of Khulna prior to March 24. I am expressing my gratefulness to the Almighty that the nation could be saved from the curse of a dreadful famine--thanks to the timely steps taken in this regard we have already taken adequate steps to ensure supply of foodgrains and meanwhile a committee has been appointed to streamline the procurement of foodgrains from home and abroad, arrange storage facilities, ensure their movement and proper distribution, control prices and identify corruption and irregularities as well as to take punitive action against people responsible for such misdeeds. I would like to give you firm assurance that there is sufficient stock of foodgrains at our disposal.

We have taken necessary measures to keep the prices of foodgrains stable. But our basic policy is to sustain an open market system keeping in view the economics of demand and supply. Because we have started to reap the harvest of our liberal policy and as a result of withdrawal of control from the internal movement of the transport system, prices have come down to the normal level. We have been [word illegible] over the price situation and I assure you that any corrupt practice or unfair business deal would be sternly dealt with.

Mr dear countrymen.

The political independence of the country is meaningless without economic emancipation. But in the past a dreadful catastrophe had befallen the economic life of the nation due to corruption, unplanned expenditure, faulty management, lack of decision and wastage. The life of the common people has been shattered as a result of the heavy burden of inflation due to low agricultural and industrial productivity and the rise of the prices of commodities. The present Government has determined five objectives for retrieving the national economy as quickly as possible from this economic malaise to consolidate the national independence and sovereignty.

These objectives are: (1) to attain 7 per cent growth rate; (2) to check overhead expenditure in the public sector; (3) to encourage private investment; (4) to attain food self-sufficiency and (5) to take effective measures with regard to family planning and population control. We have imposed restrictions on foreign imports to protect and encourage expansion of the domestic industrial sector. It is our national responsibility to ensure the protection and expansion of the home industry in the interest of the national economic development. The slogan of attaining national self-sufficiency would prove to be empty words if there is no attraction for the country's own industrial system and local products. So, it is in the greater national interest that we will have to use the home-made commodities and save the home industry from the onslaught of foreign goods.

We will have to encourage private entrepreneurship who must be made to ensure qualitative development of the locally produced goods and boost production. And this was towards strengthening the economy and productive activities. Far-reaching changes have been introduced in the country's import-export policy--fourteen items being already banned from the import list. Gradually, the imports will be further reduced and industrialisation accelerated.

The private sector will be given a more effective role to play for quicker industrialisation of the country. The incentives and the facilities from the Government for capital investment in the private sector are being continued and newer sectors will be opened to the private sector. We cannot afford to continue to depend on foreign assistance for our economic development activities, we have to mobilise domestic resources. The Government has given special opportunity for investment of secret income and unutilised capital in productive sector. A hope that every one will declare their clandestine income giving 15 per cent interest without being faced with any sort of cross examination and thus will play their due role in the national development activities. Otherwise, the culprits will be given severe punishment at a latter stage.

The important role of the public sector in establishing basic industries will be made more effective side by side with giving incentive to the private sector industries could be increased and their condition could be improved if we could free the sector from corruption, red tapism and mismanagement. I believe that proper coordination between the private and the public sectors is imperative.

Besides, research and innovation work are to be continued for improving the qualitative standard of products both in the public and the private sectors.

One of the main reasons for our economic crisis is rampant corruption and fraud in the banking sector. In many cases loans were sanctioned, violating the loan principles of Bangladesh Bank and without analysing the project in a proper manner or without ascertaining its economic viability. Many an institution were on paper only. Most of them got this economic benefit for personal or group interest at the behest of party or leader for

political reasons or of high ranking officials and thus they squandered national savings deposited by the people. So I had directed all to submit their accounts just after the promulgation of Martial Law. Today the bank directors are giving account of themselves. They are unable to justify sanctioning of loans of thousand crores of Taka and there is a possibility that a few hundred crore of Taka will remain unrealised. Persons responsible for these deeds had only indulged in corruption and irregularities. They had betrayed the people in respect of the savings deposit of the people. The committee appointed in this respect has been reviewing the cases in detail and appropriate measures in this regard will be taken at the appropriate time.

As you know, the principles that were formulated in the past in the health sector were urban oriented, as a result a handful of people enjoyed the benefits. On the other hand the vast population in the rural areas were deprived of the minimum medical facilities. We have taken a few important decisions in the health sector to remove this disparity and to reach the medical facilities to the rural people, it has been made compulsory for a doctor to stay in the country for five years after passing out from the college as a precondition for employment abroad of a limited number of doctors. It has been ensured that they stay in the rural areas the fees for private practitioners has been fixed so that the people of low income group can get the benefit of treatment (sic). One month stay in villages has been included in the M.B.B.S. curriculum. Medical colleges which exist in name only were established for evil political motives without considering the limited resources and national requirements. We are thinking to expand hospital facilities and establish new hospitals in those places where medical colleges were set up for the interest of public health and providing proper treatment facilities. A few more important steps like these are now under active consideration of the government which aimed at ensuring medical facilities for all the people of the country.

In the family planning sector there was no progress in reality, but only wastage of money and time as a result of rampant corruption and inefficiency in the past. The main problems facing the sector is to assure the people of its benefits but because of paucity of health facilities it was not possible in the past to make the people in the rural areas believe of its necessity to limit the number of children. We have therefore decided to reach the medicare facilities to the remotest corner of the villages. I have the confidence that as a result of this new arrangement the rural people will be able to enjoy the medicare facilities and that being rid of fear and scepticism they will be voluntarily interested in the family planning programme.

Social Reform

Anarchy and mismanagement was prevailing in our social life as it was also witnessed in the political, economic and other spheres of our national life there was such an erosion of values in personal and social life that our existence as a self respecting nation was at stake corruption exploitation and erosion of values had brought the social frame work nurtured through

ages to the brink of destruction...we have to face this situation with courage and patience, we have taken a number of reformative steps in this regard; the dowry system is identified as a festering sore in our society; anti-dowry act of 1980 has already been made effective to stop dowry and it has also been ensured that the violators of this law will be prosecuted.

Restrictions have been imposed on the affluent section of the society so that they observe austerity and shun luxury. For the greater interest of the common people along with observing austerity, we have to ensure the dignity of labour in national life. No work is beneath the dignity. We have to honour those who give physical labour. I hope that our student community could enhance the dignity of labour by engaging themselves in physical labour in between their study.

A call has been given to the government employees to build up the habit of going to their respective places of work by bus or cycle or on foot with a view to stopping the wastage of government resources. Directives have also been issued to strictly avoid the purchase of luxury goods for office use and suspense with pompous functions and entertainment. Instruction has also been given to enforce guest control, order and stop entertainment at offices.

Shops set up illegally on streets and footpaths have been evicted to ensure the safety of the pedestrians. At the same time various weekly and evening markets have been launched for the rehabilitation of the affected hawkers and venders. Two hawkers' markets have in the meantime been established in Dacca. Decision has been taken to set up more hawkers markets at Dacca and Chittagong.

Order has also been issued to the general consumers of electricity water, and gas and other goods to clear all arrear bills. Strict order has been given so that the corporations and organisations offering these services and goods send bills regularly and correctly. In fact, these organisations have totally forgotten that they are public welfare bodies created for service of the people. These organisations are being made much more effective and we seek peoples' cooperation in this direction.

Press Commission and Advertisement Policy

The role of newspaper industry is significant in social reforms building national character and creating congenial political atmosphere. I have full confidence in the patriotism of journalists and their sense of responsibility and I hope that the journalists will act as true patriots with national outlook in the task of overall social reconstruction. I have constituted the Press Commission the long standing and neglected promise to journalist community for reviewing their problems. The Commission will review the present condition of newspaper industry, its development and its role in the field of national development. The Commission will submit its report within six months on the development of newspaper industry proprietorship, management system, financial structure of this industry, legal framework on the freedom of Press, its role in national development and establishment of

a corruption and exploitation free and frugal society. A huge amount of public funds have been squandered every year on the head of advertisement. A three member committee has been constituted to review the government advertisement policy. The committee will submit its recommendations on additional arrangement and progress for maintaining frugality on advertisement keeping in view the interest of newspapers.

Foreign Affairs

In conclusion I shall say something on my visit to Saudi Arabia. As you know with how much cordiality King Khaled welcomed us. We apprised him of our jihad against corruption and poverty. I have explained the national objective for becoming self-reliant and reducing dependence on foreign aid phase by phase.

King Khaled expressed his high appreciation for our people and held out the assurance of full cooperation for the realisation of this objective. Elaborate discussions were held with him on bilateral matters, regional and international situation and friendship between our two brotherly countries in the international field was firmly expressed. The most significant aspect of the Saudi trip was that the door of Kaaba was unexpectedly flung open for us and I offered prayer and munajat in the House of Allah for the peace, security and progress of Bangladesh. The next day I went to the Rawja Muharoko of our dear Prophet Hazrat Mohammad Sallajahu Alaihassalam and there also I offered doa for the overall national development, security, peace and discipline. As a Muslim I firmly believe that verily the blessings of Allah, the merciful, will be bestowed on Bangladesh. Our duty is to work for the establishment of the principle of justice as ordained by Allah and continue to work ceaselessly.

We shall have to embark on constr 've work with the same sincere agility and teaching of sacrifice as we demonstrated during the War of Liberation and established a glorious tradition of supreme sacrifice and sufferings. We have to work relentlessly to ensure our national identity and consolidate our hard-earned independence which was achieved at the alter of blood. You just review the contemporary history and you will see how many governments came and went. We have had many speeches of ideology and principles and many pledges in the name of Allah, brave shahedan and also in the name of people. You yourselves say what you have got. What the ninety per cent of the country's commonmen--peasants, workers, students, soldiers, coolies, and labourers, low-paid employees, small businessmen--have received. Has the condition of the masses improved or deteriorated? Have the people of Bangladesh achieved the independence and shed their blood and lost their honour for this? If this is the result of politics then I don't understand this politics nor do I intend to understand it. I am a straight forward soldier. All soldiers of this country understand the simple truth that the commonman have so long been suppressed, oppressed and exploited. The welfare of the commonman is our task, objective and goal. The Armed Forces, therefore, have stood by the people in this period of crisis for establishing their rights, rebuilding the social structure in their interest and for consolidating the national identity.

We have taken over the administration. I have been telling from the beginning that our Martial Law is different and exceptional in nature. This Martial Law is in the interest of nine crore people. What we need is to embark on the struggle unitedly with firm determination capitalising on the solidarity of the people and the soldiers. This struggle is for the economic emancipation of the people, establishment of the rule of law and social justice, welfare of the masses and establishment of real democracy. However hard this struggle and whatever irresistible the barrier might be our united endeavours, with unshakable faith in the Almighty Allah and inspiration of patriotism, will be crowned with success. We all shall continue to work in the greater interest of the nation sharing the poverty and shunning the ominous dream of building individual property. The unity and united endeavours of the people and the Armed Forces will make us successful.

Khuda Hafez.

Bangladesh Zindabad.

CSO: 4220/7432

BANGLADESH

BANGLADESH DELEGATE'S SPEECH AT MOROCCO MEETING

Dacca THE BANGLADESH OBSERVER in English 10 May 82 p 4

[Text] Following is the full text of the speech of Mr A.R.S. Doha, Adviser in-charge of Ministry of Information, Bangladesh, at the sixth session of the ministerial level Al Quds Committee meeting here on May 6, reports BSS.

Birmillah Hir Rahmaner Rahim.

Assalamu Alaikum Wa Rahmatullah Wa Baraktuhu Mr Chairman.

Excellencies,

Distinguished delegates,

Ladies and gentlemen,

1. I deem it a great honour to be able to participate in the sixth session of the Al Quds Committee meeting in this beautiful mountain city of Ifran. Our presence here is an emphatic rededication to Muslim unity and a reconfirmation of our pledge to restore Jerusalem to Islamic sovereignty.

2. On behalf of my Government, I convey our gratitude and appreciation to his majesty King Hassan II and the brotherly people of the kingdom of Morocco for the warm welcome and gracious hospitality extended to us. May I also, on behalf of my delegation, avail this opportunity to compliment our hosts for the characteristically excellent arrangements which have been undertaken in organising this important conference.

3. Mr Chairman we are being aggressed upon in the West Bank at this very point of time while we are still in session. In fact the process of annexation of our sacred lands and places of worship is being actively perpetrated at this moment in Jerusalem and all these blatant acts are compounded by a real and arrogant threat of further aggression and annexation which appear imminent on one or several fronts and which are being posed with impudence almost daily. We are in session today to deliberate the grave issues at stake and the steps we must take to face our common enemy surrounded as we are in this pervasively oppressive atmosphere.

4. At the very first session in July 1979 of this committee at the ministerial level, His Majesty King Hassan in his keynote address, outlined substantial measures to be taken by the Islamic conference for the liberation of Jerusalem and for the restoration of the national and inalienable rights of the Palestinian people to an independent state of their own. Specifically the Jerusalem Committee then approved a comprehensive action programme in the political as also in the information and publicity fields. The third session in Casablanca in August 1980 sitting in the aftermath of the decision by the Israeli Knesset on 30th July 1980 to make Jerusalem its "eternal and undivided capital" took several vital decisions to counteract this move. And we have reasons to believe that considerable progress was made by our collective endeavour to arouse world opinion in this regard and bring about a sense of awareness particularly among the western states and in Latin America as regards to the extent of arrogant indifference inherent in repeated Israeli actions. This concerted effort at the political and diplomatic levels nationally and internationally, has begun to bear fruit, and we, in Bangladesh have no doubt that if the various programmes of action are sustained pressure of world opinion can be brought to bear upon Israel at an ever increasing rate.

5. The work of This Committee was given added strength and inspiration by the formalisation of the committee of heads of state led by his Majesty King Hassan of Morocco and which led all of us to focus attention on the proposed action programme of the committee by a strong resolution at the third Islamic summit held in Makkah in May 1980.

6. Since then, we have together projected both in the political and information fields, the worsening situation in Jerusalem on the one hand and the just struggle of the Palestinian people on the other, notwithstanding our own serious internal conflicts which our enemies continue to exploit with all the vigour at their command. We in Bangladesh feel distressed by the repeated acts of this desecration in Jerusalem and appeal to our Muslim brethren to close ranks at this hour of peril which threatens our very identity. In the absence of this basic element of unity among ourselves we will find it increasingly difficult to combat this complexity of conspiracies and designs against us. We in Bangladesh have full confidence that this committee under the enlightened leadership of King Hassan II can effectively close these gaps to enable us to concentrate our entire attention on the proposed action programme of this committee including the 15-point action programme which my government proposed at a joint meeting of the Jerusalem committee and summit committee held in Fez on 23rd April 1981.

7. Mr Chairman, I have already referred to the cumulative threat posed by Israel, and her patrons and clients, to both Jerusalem and the future of the Palestinian people. This threat is not static, it has proved to be real whenever we have been given the impression that it is merely impending. We are once again, facing the situation following the recent grave sacrilegious acts against Al-Lebron Al Sharif on 11th April 1982 and simultaneous acts of aggression through forced settlements on the West Bank. The United Nations General Assembly on 8th April declared that Israel is "not a peace loving member state" and called on all Government not to provide it

with military, economic and political assistance. Bangladesh was a cosponsor of this resolution. The voting pattern, 80 in favour, 20 against and 36 abstentions, reflect the long and arduous path which lies ahead of this committee. But at the same time, indicates to us forcefully that we should lose no time in implementing the comprehensive action programme adopted at the Taif summit.

8. In the meantime, my Government feels that the time is right to convene an urgent meeting of the third Islamic summit conference as also an extraordinary session of Islamic conference of foreign Ministers to not only chalk out an urgent programme of action in the political as well as in information and publicity fields to meet the impending threat but I process to forcefully demonstrate our unity and determination to meet the threat.

Mr Chairman, my Government would very gladly singly or in coordination with one or more member countries of this committee undertake a contact mission with the specific object of reaching out to the substantial elements of the media in Britain, Europe, Latin America and United States with a view to projecting the just cause which the committee responses. We believe that such an action programme can be formulated in framework during this very session and implemented within weeks or days rather than months or years.

"May Allah, the almighty and the beneficent help us."

CSO: 4220/7432

BANGLADESH

AMENDMENT ORDER ON STRUCTURE OF HIGH COURT

Dacca THE BANGLADESH OBSERVER in English 10 May 82 pp 1, 3

[Text] The Chief Martial Law Administrator on Sunday issued the Proclamation (Second Amendment) Order, 1982.

Following is the text of the proclamation:

WHEREAS it is expedient further to amend the Proclamation of the 24th March 1982, for the purpose herein after appearing:

NOW, THEREFORE, in pursuance of the said Proclamation and in exercise of all powers enabling him in that behalf, the Chief Martial Law Administrator is pleased to make the following Order:--

1. Short title--This Order may be called the Proclamation (Second Amendment) Order, 1982.

2. Amendment of the Proclamation.--In the Proclamation of the 24th March, 1982, in the "schedule, after paragraph 4, the following new paragraph shall be inserted, namely:

4A. (1) The Chief Martial Law Administrator may, by notification in the official Gazette, establish permanent Benches of the High Court Division with seats at such places and for such areas as may be specified therein.

(2) A permanent Bench of the High Court Division shall consist of such number of Judges as may be fixed by the Chief Martial Law Administrator from time to time.

(3) A permanent Bench of the High Court Division shall, in relation to the area for which it is established, have all the powers and jurisdiction of that Division, except that the Admiralty jurisdiction of the High Court Division and the original jurisdiction of that Division in respect of company matters shall be with the permanent Bench having its seat at Dacca.

(4) When a Bench of the High Court Division is established for any area, all appeals and Petitions from or in respect of any judgement, decree, order or sentence of any Court within such area pending in the High Court Division,

immediately before the establishment of such Bench, shall stand transferred to, and be deemed to be pending in, that Bench and shall be heard and disposed of by it.

(5) The Chief Martial Law Administrator may transfer a Judge of the High Court Division to any of its permanent Benches and from one permanent Bench to another permanent Bench.

CSO: 4220/7432

BANGLADESH

MARTIAL LAW ORDER ON DACCA ADMINISTRATIVE DISTRICTS

Dacca THE BANGLADESH OBSERVER in English 10 May 82 pp 1, 8

[Text] The Chief Martial Law Administrator Sunday night issued Martial Law Order No 17.

The order said: In pursuance of the Proclamation of the 24th March 1982, and in exercise of all powers enabling him in that behalf, the Chief Martial Law Administrator is pleased to make the following Order, says a PID handout.

1. Notwithstanding anything contained in any other law for the time being in force, on the commencement of this Order.

(a) The Paurashavas of Mirpur and Gulshan, hereinafter referred to as the dissolved Paurashavas, shall stand dissolved and the persons holding office as Chairmen and Commissioners thereof cease to hold office.

(b) The Municipalities of Mirpur and Gulshan shall stand abolished and the areas thereof transferred to, and form part of the Dacca Municipality.

(c) All assets, rights powers, authorities and privileges and all property movable and immovable, cash and bank balances, funds, investments and all other rights and interests in, or arising out of such property of the dissolved Paurashavas shall stand transferred to and vest in the Dacca Municipal Corporation, hereinafter referred to as the Corporation.

(d) All debts, obligations, and liabilities incurred, all contracts entered into and all matters and things engaged to be done by, with or for the dissolved Paurashavas shall be deemed to have been incurred, entered into or engaged to be done by, with or for the Corporation.

(e) All budget estimates, assessments, valuation schemes or plans made by the dissolved Paurashavas shall be deemed to have been made by the Corporation.

(f) All taxes, rates, tolls, fees and sums of money due to the dissolved Paurashavas shall be deemed to be due to the Corporation.

(g) All taxes, rates, tolls, fees and other charges levied by the dissolved Paurashavas shall be deemed to have been levied by the Corporation.

(h) All officers and other employees of the dissolved Paurashavas shall stand transferred to and become officer or employees of the Corporation and shall hold office or service in the Corporation until duly varied or decided otherwise by it, on the same terms and conditions as were enjoyed by them immediately before such transfer.

(j) All suits, prosecutions and other legal proceedings instituted by or against the dissolved Paurashavas shall be deemed to have been instituted by or against the Corporation and shall be proceeded or otherwise dealt with accordingly.

(k) The Corporation shall stand superseded and the persons holding office as Mayor and Commissioners shall cease to hold office; and

(l) All powers and functions of the Corporation shall be exercised and performed by an Administrator to be appointed by the Government.

2. The Corporation shall remain superseded till it is reconstituted in accordance with the provisions of the Paurashava Ordinance, 1977 (XXXVI of 1977) and steps for such reconstitution shall be taken only when the Government so directs.

CSO: 4220/7432

BANGLADESH

MARTIAL LAW ORDER ON APPEALING LABOR COURT DECISIONS

Dacca THE BANGLADESH TIMES in English 27 May 82 pp 1, 8

[Text] The Chief Martial Law Administrator has made the following Martial Law Order No 19, reports BSS.

Any person aggrieved by any decision of the Labour Appellate Tribunal, delivered before or after the commencement of this order, may, within 90 days from the date of delivery of the decision, file a petition for review of that decision to the Chief Martial Law Administrator and the decision of the Chief Martial Law Administrator on such petition shall be final and binding upon the parties concerned.

Any person aggrieved by any decision, other than an award, of a labour court, delivered before or after the commencement of this order, may, within 50 days from the date of delivery of the decision, file a petition for revision of the decision to the Zonal Martial Law Administrator within whose jurisdiction the decision is delivered, and the decision of the Zonal Martial Law Administrator on such petition shall, subject to approval of the CMLA, be final and binding upon the parties concerned.

This order shall have effect notwithstanding anything contained in any other law for the time being in force.

CSO: 4220/7428

ERSHAD APPOINTS MARTIAL LAW VIGILANCE TEAM

Dacca THE BANGLADESH OBSERVER in English 11 May 82 p 12

[Text] The Chief Martial Law Administrator has appointed a four-member Martial Law Vigilance Team No 1 with Brigadier Sayed Badruzzaman, psc. G+ as its Chairman. The members of the team are Lt Col Syed Muhammad Ibrahim BP; Wing Cdr A.K.M. Golam Mustafa and Lt Cdr S. I. Mujtaba BN, says a PID handout.

The Martial Law Vigilance Team shall perform the following functions:

- (a) special inspection of any Government office or department, local authority, statutory corporation, body or authority nationalised enterprise or any other body or organisation established, maintained or controlled by the Government and private organisation;
- (b) investigation of any international tenders, business or commercial transactions and agreements;
- (c) inspection of any development project or scheme of national importance;
- (d) surprise inspection of any industrial or commercial enterprise, factory, workshop, plant or project as and when directed by the Chief Martial Law Administrator;
- (e) surprise inspection of any recently completed public works like road, bridge, culvert, canal, building, construction or erection to ascertain if it was done in accordance with the approved plan and specifications;
- (f) any other function that may be assigned by the Chief Martial Law Administrator.

The Martial Law Vigilance Team will have access to all classified, unclassified file, records or documents for the purpose of investigation or inspection. The Team can seek assistance from services Headquarters, Security organisation of the Government and police.

The Martial Law Vigilance Team shall send intimation to the CMLA's Secretariat, whenever possible, before it takes up any inspection or investigation and shall, within seven days after the completion of an inspection or investigation submit a report to the Chief Martial Law Administrator's Secretariat.

CSO: 4220/7433

BANGLADESH

MUHITH REPRESENTS BANGLADESH AT GENEVA UNDP MEET

Dacca THE BANGLADESH OBSERVER in English 11 Jun 82 pp 1, 12

[Text] Mr A. M. A. Muhith, Minister for Finance and Planning expressed concern over the grave situation facing the UNDP and suggested for holding a global round table meeting of the donors for UNDP for raising adequate resources, according to a PID handout.

The Minister who attended the 29th session of the UNDP Governing Council in Geneva last week on a special invitation from the Council President pointed out the serious implications of resource put in UNDP in the development of many developing countries including Bangladesh. The first four days of the three week-long council meetings were earmarked for discussion on the most critical issue of resource mobilisation.

The Minister expressed alarm at the shortfall of the short of resources [sic] [word omitted] 47% in 1982 when resources was only \$550 million compared to a target of \$850 million. The cut will severely jeopardize the planned efforts in development of the recipient developing countries in general and the least developed countries in particular. The fall in UNDP resource mobilization is difficult to understand at this moment of the organization's orientation to provide vastly increased proportion of resources to the relatively less fortunate developing countries. He referred to the historic decision 80/30 whereby the Governing Council decided in its 27th Session in 1980 to allocate 80 per cent of the UNDP Indicative Planning Figures (IPFs) to the countries with per capita income of \$500 or less. The six per cent negative growth in resources in 1982 the first year of the Third Cycle will not only dash the hopes of increasing resources in these countries but will also threaten the successful implementation of the development plans of these including SFYP of Bangladesh. This can not be allowed particularly in view of the fourteen per cent annual growth rate in UNDP resources in the decade of 70s.

Mr Muhith pleaded for additional resource for UNDP from the donor community so that it can continue to play the useful catalytic role in the process of development of the developing world. As an interim measure, particularly for the least Developed Countries compensating resources should be flowed through the LDC Special Measures Fund of UN DP. Bangladesh was thinking

of moving a resolution urging the contributors in this behalf to increase resources to the LDC Special Resource Fund.

The Finance and Planning Minister of Bangladesh also dealt at length on the various alternative methods of financing the UNDP programme in future. It has now been observed that annual pledges for voluntary contributions to fund UNDP Country Programmes of five year duration creates serious uncertainty. Some contributors have genuine legal and administrative difficulties in making multi-year pledges. As an additional method of safeguarding the integrity and usefulness of the UNDP Programme in the developing countries the Minister recommended for future the replenishment method.

CSO: 4220/7463

CHARGES AGAINST FREEDOM FIGHTERS LEADER TOLD

Dacca HOLIDAY in English 16 May 82 p 3

[Text]

The Additional District Magistrate of Dacca has recently communicated that Lt. Col. (retd) Kazi Nuruzzaman, Chairman of Bangladesh Freedom Fighters' Association, central command council, who was lifted from his residence on April 24 last has been detained in pursuance of section 8 of the Special Powers Act of 1974.

The grounds include that his activities and deliberations as the Chairman of the Sangsad had been found prejudicial to the proper running of administration and peace and tranquility of the state.

His speeches delivered in public and his statements and reports given to the press were manifestations of his prejudicial activities, according to the magistrates communication. It added that Mr Zaman, through his speeches and statements tried to create a division among the general people of the country on the issue of razakar and al-badr. On March 21, 1982 he by holding a press conference declared that he would form a 'gana adalat' for the trial of alleged anti-liberation forces.

In the said press conference he also declared to observe " razakar-al-badr resistance week" from May, 1, '81 and instructed all the units of the Sangsad to remove signboards of the offices of the alleged anti-liberation political organisations, particularly those of Jamaat-e-Islami and Islami Chhatra Shibir.

It also added that Mr Zaman as the editor of a weekly, published a report with intention to create division in the armed forces and also to create hatred [in the minds of the public towards armed forces.

The charge sheet against the detainee contained that he issued a press release with prejudicial remarks on the trial of the accused army officers responsible for killing of late President Ziaur Rahman by the field general court martial. This he did with a design to create a division in the armed forces and the people and then to create and incite enmity and hatred between different sections of the armed forces and the people, it added.

According to the chargesheet Mr Zaman on August 25 and September 4, 1981 held public meetings in Dacca in which he criticised the trial of the field general court martial and tried to influence public opinion against the trial.

On September 17 in a public meeting he criticised the judgement of the field general court martial and tried to create agitation among the freedom fighter military officers.

The communication said that his above activities came within the purview of prejudicial activities as

defined in clause (f) (III), IV, V) and clause (g) of section 2 of the special powers act, 1974 and so he had been detained with a view to preventing him from indulging in prejudicial activities.

In the chargesheet Mr Zaman was further informed that he had the right to make representation against the order of detention.

It is gathered that the relatives of Mr Zaman, have meanwhile, decided to submit a representation in this regard the draft of which is under preparation.

CSO: 4220/7439

PRC PRESS DELEGATION LEADER INTERVIEWED ON DEPARTURE

Dacca THE BANGLADESH OBSERVER in English 22 May 82 p 8

[Text] The existing friendly relation between China and Bangladesh is historically rooted in the common desires and aspirations that bound the two peoples closer, Mr Jiang Yuanchun, leader of the Chinese Press delegation, said in Dacca on Friday says BSS.

Historically the two countries had the same experiences and now "we have common desires and aspirations" to build independent national economies, Mr Jiang said in an interview.

Mr Jiang, Deputy Director of the Peoples Daily and a leading political commentator of China observed that in history Bangladesh and China have lived in peace and amity.

The leader of the five-member Chinese Press delegation further observed that for the developing countries the upholding of national independence and building independent economy were of vital importance. "Without economic independence national sovereignty cannot be consolidated."

Giving his impressions from what he and his colleagues have seen during the week-long visit to the country Mr Jiang said there has been tremendous achievements in the field of national development of Bangladesh.

Mr Jiang said Bangladesh had made great efforts in developing agriculture and building an independent economy as well as in preserving national culture.

He said the Chinese journalists were happy to learn that Bangladesh has a "blueprint" for national economic development and hoped that when it is implemented it would contribute to the building of an independent economy for Bangladesh.

Mr Jiang said that the journalist communities of China and Bangladesh had been putting in similar efforts to help build up their respective nations and stressed the need for increasing exchanges of visits of journalists between the two countries to know each other better.

A Press delegation from Bangladesh would soon visit China Mr Jiang said and hoped that in future there would be more exchanges of visits.

The leader of the Chinese Press delegation was hopeful that there was a tremendous scope for expanding the existing bilateral economic and cultural cooperation on a "mutual basis."

He said at the moment his country was engaged in "readjusting her own economy" and hoped that when this task is completed "there is possibility of wider cooperations and exchanges of help."

CSO: 4220/7442

BANGLADESH

EDITOR CENSURED FOR COUP CONSPIRACY REPORT

Dacca THE BANGLADESH OBSERVER in English 26 May 82 p 12

[Text] The Press Council has censured the Editor of weekly Sangbadik, Montaz Sultana for publishing a baseless news story on the former Air Force Chief, Air Vice-Marshal (Retd) M. G. Tawab in March last, according to the judgement in Dacca on Tuesday, reports BSS.

The weekly in its March 20 issue published a photograph of the Retired Air Vice-Marshal M. G. Tawab in the front page under the banner headline "conspiracy to seize power" and in the following page reported that a secret meeting was held by Dalim and the former Air Chief with Khondakar Moshtaque outside Dacca at Dashpara.

Mr Tawab in his written complaint to the Press Council stated that the news was "malicious and totally baseless" and was aimed at character assassination. He said he had been living private life in Dacca and "has no connection" whatsoever with either Mr Moshtaque or Mr Dalim or with any other political party or politician. Generally it is expected that in case of grievances the aggrieved person should write for redress to the publication concerned the Press Council said.

The Editor Montaz Sultana states in her written statement that the impugned report is aimed at providing information about a serious conspiracy centering around Khandakar Mushtaque. She further states that Air Vice Marshal (Retd) Tawab was not present at Dashpara meeting and that as an able son of the country the former Air Chief deserves respect, and that she is sorry for the mistake. Lastly, the Editor of weekly Sangbadik tenders unconditional apology for this unfortunate error.

Rule 3 of the code of ethics provides: care in the matter of verification of news and views should be proportionate to their gravity and seriousness and to the impact and effect they are likely to have on the person concerned.

Conspiracy to subvert or overthrow a duly constituted and established government is an extremely serious and grave affair. The allegation of association with the conspiracy by anybody is more serious, on account of the dire consequences it may entail. Publication of any such news demands in view of the aforesaid rule close scrutiny and careful verification.

The Editor admits that Retired Air Vice Marshal was not present in the secret meeting at Dashpara. Thus it is not a case of inadequacy of evidence but of printing in the front page of a newspaper a damaging untrue news.

"It appears to us that the Editor, by publishing the impugned news has betrayed her utter callousness amounting to nearly criminal negligence about the imperative and bounden obligation of verification before publication of any news."

It is good of the Editor to tender unqualified apology, but the matter is too serious for apology. Pandering to unholy credulity of a section of people appears to have been the sole motive behind the wanton publication of this startling but baseless news respecting the Retired Air Vice Marshal. It is not unlikely that flashing of this news might have boosted up the sale of the paper augmenting their resources, but apart from the serious and nearly irreparable injury it inflicted on the reputation of the unfortunate victim, the harm it had caused to the whole journalist community was heavy in this that it tended to render their credibility shaken in the public estimate.

The Press Council aims at preserving the freedom of the Press, but believes that the freedom of Press depends on the observance by it of proper ethical standard in presenting unbiased and objective news and balanced views to enable the people to make correct assessments and to imbibe true consciousness of various socio-economic problems that face the nation as a whole.

"We hold that apology, however unqualified, is inadequate and we punish her, she is censured," the Press Council said.

CSO: 4220/7446

PRESS COUNCIL JUDGMENT IN CASE AGAINST EDITOR

Dacca HOLIDAY in English 6 Jun 82 p 2

[Text]

The following is the judgment of the Press Council in case no. 40 (Md. Rafiqul Islam versus Editor, Weekly Holiday) :

This is a complaint against an editorial published in Holiday on December 13, 1981. The relevant portion of the editorial reads thus, "A strange thing happened at the time of recruitment of cadre service officials by the PSC this year. The person who stood first in the BCS examination opted for the Customs service instead of the Civil service or the Foreign service which are the usual choices of the bright boys. Pressed to explain his strange option the person bluntly said, I suppose getting into the right service is the easiest route to becoming solvent in the shortest possible time. That is the measure of our national psyche."

The complainant Md. Rafiqul Islam, Asstt. Collector, Customs and Excise (probationer) states in his petition of complaint that he is directly referred to by the editorial and that the editorial has damaged

his image, prestige and dignity, inspite of the publication of his rejoinder in the "your opinion" column uncoupled as it is without any apology or regret. The rejoinder reads thus—

"No one from Holiday has met me ever, nor did I pass such a comment to anyone, anywhere, anytime. The remarks made in the editorial have damaged my prestige, dignity and image. This may give rise to suspicion in the mind of my superior officers and colleagues in the Bangladesh Civil Service and have an adverse effect on my service career."

The opposite-party-editor submits that the editorial was illustrative of the vicious circle of corruption that had pervaded our whole society and that no specific person was intended to be singled out and that there is no cause for complaint since a rejoinder given by the complainant was fully and completely published and that there was nothing more that the opposite party Editor could do in the matter.

The editor's plea that no specific person was intended to be singled out is not acceptable as the editorial referred to the person who stood first in the last BCS examination and normally the first place in an examination is allotted to a single individual who is clearly identifiable.

That the editor by his editorial wanted to highlight the appalling dimension which corruption had assumed in our society is obvious, but the point for determination is if by the publication of the rejoinder in the "your opinion" column of his paper, the editor stands absolved of all further liability, in respect of the complainant.

The impugned editorial discusses the wide ranging corruption and uses the complainant's confessional statement as an illustration. When the complainant denies to have ever made the statement, the editor does not say that the complainant did make the statement. So it has to be accepted that the

complainant did not make the statement. Generally publication of rejoinder is considered sufficient but in this situation mere publication of a rejoinder in "your opinion" column is hardly adequate.

The editorial statement stands in all its glory and with all its majesty, unregretted, far less begged excuse of. In a column of the paper where personal views are ventilated appears the rejoinder. Even if the

reader's attention is attracted to the column, he (the reader) will be in perfect justification to accept either of views - the untrue one of the editor and the true one of the complainant.

The editor should have regretted his unfortunate illustration, so that the readers were left with no choice but to think that the illustration was factually erroneous.

We warn the editor to be careful in future.

CSO: 4220/7464

BANGLADESH

SUPREME COURT DISCHARGES RULING AGAINST EDITORS

Dacca THE BANGLADESH OBSERVER in English 2 Jun 82 p 12

[Text] A Division Bench of the Supreme Court, High Court Division comprising Mr Justice Abdur Rahman Chowdhury and Mr Justice A.T.M. Afzal discharged the Rule earlier issued suo moto calling upon the Chief Editor and the Chief News Editor, Bangladesh Sangbad Sangstha and the Editor and the News Editor of the Bangladesh Observer to show cause why proceedings in Contempt should not be drawn up against them for having circulated misleading report relating to a judgement delivered two months back in a writ petition.

The contemnors appeared and filed affidavits admitting the incorrect nature of the report and tendered unqualified apology which their Lordships were pleased to accept.

Their Lordships observed in the judgement that although the Editor of the Bangladesh Observer had very little to do with the publication of the news item which was supplied by the Government news agency, the Bangladesh Sangbad Sangstha, still the admission of responsibility by the Editor was very much appreciated. On the other hand the conduct of the BSS in publishing the news item at the behest of a private person was disapproved by their Lordships. In concluding the judgement their Lordships observed "We yield to none in our firm conviction that newspapers are vital to the life and well-being of the nation and the people and that the national Press must both be free and responsible. Only a free Press can effectively serve a free country and help maintain her freedom. In its turn, the Press must also act responsibly in exercising its freedom and in discharging its duties to inform, educate and serve the people. We are confident that the sanctity, dignity and prestige of the Court is as much dear and sacred to them as it is to all of us."

CSO: 4220/7456

BANGLADESH

NEWSPAPERS REPORT, PUBLISH NEW INDUSTRIAL POLICY

Ministry Adviser Explains Policy

Dacca THE BANGLADESH OBSERVER in English 2 Jun 82 pp 1, 12

[Text]

A new Industrial Policy, providing for increased participation of private sector to expand the manufacturing sector and limiting the role of public sector to the establishment of basic, heavy and strategic industries was announced on Tuesday by Mr. S. M. Shafiq Azam, Adviser in charge of the Ministry of Industries and Commerce.

Explaining the salient features of the new policy at a Press conference in Dacca, the Adviser felt that it would provide a new dimension and greater thrust on industrialisation of the country.

The focus of the new Industrial Policy has been placed on simplification of the Industrial Investment Schedule and the sanctioning procedure, more incentives for increasing domestic production and export, promotion of a linkage arrangement between large and small industrial units through 'sub-contracting system' coordination of Industrial Policy, Import Policy and tariff rates/taxes, growth of small and cottage industries in the rural areas, widest possible dispersal of the industrial base particularly in the less developed areas, and operational coordination with the financing institutions.

The Adviser said that foreign investment would continue to receive due consideration of the Government and foreign participation in joint ventures on mutually beneficial terms and conditions would be welcomed. The Export Processing Zone (EPZ) is being activated and the Authority has already been reconstituted along with a vigorous campaign to attract

foreign as well as Bangladeshi investors to set up industries in the EPZ he added.

Highlighting the objectives of the new Industrial Policy, Mr. Shafiq Azam noted that the policy would aim at encouraging optimum utilisation of existing capacity including measures for balancing, modernisation and replacement (BMR) it will encourage investments to move away progressively from 'assembly' to intermediate/basic manufactured and protect and promote local industries by reasonable tariff measures and banning imports where there is adequate domestic capacity, he added.

The Adviser said that the Government had detailed and intensive discussions with the representatives of the different Chambers of Commerce & Industry during the last two months. The Chief Martial Law Administrator had also met the representatives of the private sector, he added noting that the parameters of the new Industrial Policy had been determined in the light of such discussions.

He recalled that the Industrial Policy was announced last time in 1978. The changed situation has necessitated now the formulation of a new Industrial Policy, he added.

Under the new Industrial Policy, the Industrial Investment Schedule which is intended as a guide for the prospective investors will be improved and simplified. The new Schedule showing broad allocation for each sector/industry and reducing the number of sub-sectors with a

rate allocations from 193 to 120 will be effective from July 1, '83.

A separate indicative list of investment for small-scale and cottage industries will be prepared and published.

For simplification of sanctioning procedure, the list of free sectors requiring no formal permission of the Government has been expanded by 19 more sub-sectors under the new policy. Such industries are required to be set up with entrepreneurs arranging the import of machinery under Waive Earners Scheme, suppliers' credit or under non-repayable investment.

A specific time limit for sanction of industrial units has been fixed in the new policy. The Director-General, Industries will appraise and sanction projects falling within his competence in two months' time from the time fully documented applications are received. In case of financial agencies, such time limit is three months. For projects needing the approval of the Investment Board, the cases will be cleared within a total of five months' time.

A time-limit for loan disbursement has also been fixed in the new policy. First payment of loan will be made within two months of sanction or donor's approval as the case may be.

The sanctioning power of Bangladesh Shilpa Bank (BSB) and Bangladesh Shilpa Rin Sanstha (BSRS) has been raised from the present limit of 30 million Taka to 40 million

Takes in order to facilitate speedy sanctions. The sanctioning powers of various bodies have been further decentralised at regional levels with a view to saving the entrepreneurs from coming to Dacca.

Under the new Industrial Policy, the various financing institutions like BSB, BSRS will adopt an uniform policy with regard to the terms of debt servicing. The repayment of both local and foreign currency loan will start after 30 months of opening of Letters of Credit (LIC), and that of local currency will become due after 24 months from the first disbursement. The rate of interest to be charged by the financing institutions will be one per cent less than that charged for the developed areas for export industries and for those located in less developed areas.

The financing institutions will undertake rescheduling of debt of existing industries more liberally in order to mitigate genuine difficulties of the borrowers.

The Bangladesh Bank will work out a suitable mechanism for reducing the burden of exchange rate fluctuations which has greatly affected the borrowers. This will be done in the course of next three months.

Under the new policy, all investors will be provided with 'one stop' service for processing of projects, acquisition of land, arrangement of power gas, issuing of ad-hoc licence for raw material, formation of company, authorisation from controller of capital issues etc. An investment assistance unit will be located in the office of

DG, Industries in Dacca for this matter and a committee consisting of representatives of the agencies concerned will be formed which will meet every fortnight and take appropriate decisions/sanctions in this connection. Similar 'facilities coordination committees' will also be set up at the district levels.

For industrialisation of the less developed areas of the country, the import licence fee for capital machineries and spares has been abolished. The debt-equity ratio for projects will vary from 75-25 per cent to 80-20 per cent. A special fund will be created to subsidise cost of fuels used by recognised units in less developed areas by diverting profit from the gas sector. Interest rate accruing on loan disbursed during the construction period of projects will be calculated and shown separately and will be realised from the borrower, at simple rate of interest, in five annual instalments after the unit goes into commercial production.

For the purpose of fiscal incentives, various areas of the country have been categorised into two areas, developed and less developed country.

A high level committee has been constituted for achieving a co-ordinated approach to industrial investments, particularly for establishing better co-ordination between Government's Industrial Policy and objectives.

The functions of the Investment Corporation of Bangladesh will, in addition to providing, among others, bridge finance, be expanded to include the provision of equity support. This will be made to

meet the equity gap of the sponsors of projects.

For better coordination with the financing institutions, the Secretary, Industries, will be appointed as Chairman of the Board of Directors of BSB and BSRS.

The new Industrial Policy assigns a high priority for export-oriented industries. The commercial banks will provide up to 90 per cent of requirement of working capital against Irrevocable Letters of Credit for such industries. The financing institutions will reschedule payment of liabilities of export industries on a more liberal basis. The present facility under Export Credit Guarantee Scheme will be given more extensively to the export-oriented industries. A system of national payment if import duty and sales tax in place of the existing duty draw-back system will be adopted for export oriented industries on selective basis in places.

A major thrust of the new policy will be to create additional jobs in the rural areas through the development of rural and cottage industries. A major effort will be able to reactivate the traditional handicrafts and new innovative cottage industries. Handloom, sericulture, hosiery, rural agro-based industries etc., will receive special attention.

The disbursement of loans for the cottage industries will be done on the recommendations of BSCIC for which a separate window or credit line will be opened by Bangladesh Bank.

Public Sector Size Reduced

Dacca THE BANGLADESH OBSERVER in English 2 Jun 82 p 1

[Text]

Mr. M. Shafiqul Azam, Adviser in-charge of the Ministry of Industries and Commerce, said in Dacca on Tuesday that the present size of the sector corporations would be reduced by disinvesting the abandoned industrial units in a phased manner. The industries established with corporation's own resources or out of funds from Annual Development Programme (ADP) may also be dissolved where such units are found

to be incurring loss on a continuous basis or not able to compete with the private sector for various reasons he said.

The Adviser observed that the sector corporations would be relieved of the burden of losing abandoned industrial concerns so that such bodies could plan, develop and concentrate on basic heavy and strategic industries in future. He stated that a disinvestment

programme for the sector corporations had already been drawn up by the Industries Division.

He felt that some of the big industrial enterprises like Machine Tools Factory General Electric Manufacturing Plant are not at present being managed properly as the corporations do not have the required expertise and capability to run them efficiently. He disclosed that management contractors would be hired to run and

manage some of these units on condition that they would be fully responsible for management production marketing of products both at home and abroad and their running profitably with the World Bank assistance steps have been taken to appoint a suitable management firm for Machine Tools Factory and similar steps would be taken in respect of GELD Co Ltd Chittagong Dry Dock Praoti Industries North Bengal Paper Mills etc. he added.

Mr Shafiu Azam pointed out that so far up to 49 per cent of some of the enterprises managed by the sector corporations would be unloaded for public subscription or operation by the Investment Corporation of Bangladesh in order to stimulate share market and raise additional funds. The aim of the new Industrial Policy will be to improve the operating efficiency and profitability of the sector corporations by reducing overheads and wastes to bring up management and improving productivity. he said

The sector corporations will be allowed in consultation with the Industries Division to adjust their selling price of their products such as fertiliser news print, paper and DDT in line with increases in variable costs such as increase in raw material price deterioration in dollar taka ratio etc over which they have no control the Adviser added. This adjustment facility within the limit upto ten per cent of the existing price has been allowed in order to enable the sector corporations to run on commercial lines.

Sectors in Reserved List

Dacca THE BANGLADESH OBSERVER in English 2 Jun 82 pp 1, 12

Only six sectors have been kept in the reserved list for public sector investment under the new Industrial Policy. The sectors include: 1) arms and ammunition & allied defence equipment, 2) atomic energy, 3) air transport, 4) telecommunication, 5) generation (excluding stand-by generation and distribution of electricity (excluding rural electrification by Palli Bidyut Samity) and foreign extraction (mechanised). These sectors will remain under the exclusive operation of the public sector.

Thirteen sectors have been kept in the concurrent list where both public and private investments can take place. The list includes the

following sectors: jute (sacking, hessian, carpet backing) cotton textiles (excluding handlooms, powerlooms and specialised textiles), sugar, paper and newsprint, iron and steel (excluding re-rolling mills) shipbuilding and heavy engineering (including machine tools and assembly manufacture of cars, buses, trucks tractors and power tillers), heavy electric industry, minerals oil and gas, cement petro-chemicals (Fertiliser PVC, Ethylene Methanol Carbon-black, synthetic fibre etc.) heavy and basic chemicals and basic pharmaceuticals, shipping and appliances for telecommunication and services.

The notable feature of the concurrent list under the new Industrial Policy is the addition of jute industry and cotton textiles to it.

Both sector corporations and the private sector will be permitted to set up industries in the concurrent list. A private entrepreneur can also set up an industry in collaboration with the public sector. In deserving cases management can be given to a private party with minority shareholding while majority of shares is held by the sector corporations.

All sectors and industries not included in the reserved list will be covered under the Industrial Investment Schedule for the private sector.

Jute, Textile Mills to Owners

Dacca THE BANGLADESH OBSERVER in English 2 Jun 82 pp 1, 12

The Government has decided in principle to return the jute and textile mills owned by only Bangladeshi to their former owners. The jute and textile mills were nationalised immediately after the independence of the country in 1972. The return of the jute and textile mills belonging to their former Bangladeshi owners will now be made on the same basis as was before independence.

Announcing the Government decision about the return of the jute and the textile mills to their only Bangladeshi owners, Mr S M. Shafiu Azam Adviser in Charge of the Ministry of Industries and Commerce, told the newsmen at a Press conference on Tuesday that the modus operandi for the return

of Bangladeshi owners, he observed.

The Adviser said that the return of the concerned units would begin as soon as each specific claim was verified after the formulation of the modus operandi.

He stated that the Government decision to return the jute and the textile mills to their former Bangladeshi owners had been taken "in order to create a favourable investment climate and confidence in the minds of prospective entrepreneurs". While returning the units, the Government would try that sale of jute goods in foreign market "is not adversely affected."

Replying to a question as to whether the decision to return the jute and textile mills owned

of the units including verification of the claims of Bangladeshi owners would be worked out in details. When asked as to when the process of such return would be completed the Adviser felt that it would be difficult to spell out precisely any specific time-frame for this at this stage. It will of course require some time to work out the modus operandi for the return of the units and the verification of the claims by only Bangladeshi to them would mean the annulment of the nationalisation order of 1972. The Adviser said that the amendments to the order would be made, if necessary, to give effect to the decision of the Government. He stated

that the claims of the Bangla deshi owners who are the sons of the soil would be strictly verified and scrutinised by the Government before returning the units to them.

Text of Policy

Dacca THE NEW NATION in English 3, 4 Jun 82

[3 Jun 82 pp 3, 7]

[Text]

Following is the text of the new industrial and investment policy announced by the government on Tuesday :

NEW INDUSTRIAL POLICY

Government have undertaken a review of the existing industrial policy and in order to provide a new dimension and greater thrust to industrialisation of the country, a new policy has been formulated.

OBJECTIVES OF THE NEW INDUSTRIAL POLICY (NIP)

2. The objectives of the New Industrial Policy are to :

(i) Expand the Manufacturing Sector with increased participation of private sector ;

(ii) limit the role of public sector to the establishment of basic, heavy and strategic industries ;

(iii) Encourage optimum utilisation of existing capacity including measures for balancing, modernisation and replacement (BMR) ;

(iv) encourage investments to move away progressively from 'assembly' to intermediate/basic manufactures ;

(v) protect and promote local industries by reasonable tariff measures and/or banning imports where there is adequate domestic capacity;

(vi) limit the growth of investments/industries having monopoly character;

(vii) improve the efficiency and profitability of public sector

enterprises by cutting down overheads, reducing wastage and loss, increasing productivity of labour and capital and tuning up management ;

(viii) promote export-oriented industries ;

(ix) encourage efficient and economic import substitution ;

(X) make extensive and effective use of local resources, skill and know-how and maximise indigenous manufacturing content as quickly as possible;

(xi) Promote geographical dispersal of industries on economic grounds ;

(xii) Encourage linkage between large/medium and small industries ;

(xiii) Ensure that quality and price of locally manufactured goods is maintained at a reasonable level ;

(xiv) create additional productive employment opportunities in the rural areas through promotion of rural and cottage industries ;

(xv) develop indigenous technology base...and, encourage judicious application of appropriate technology.

CLASSIFICATION OF INDUSTRIES/SECTORS

3. The sectors of industries will be classified in three lists as under :—

(a) The Reserved List :

This is reserved for public sector investment. This list contains the following six sectors:

1) Arms and Ammunition & Allied Defence Equipment ;

2) Atomic Energy ;

3) Air Transport ;

4) Telecommunication ;

5) Generation (excluding stand-by generation) and distribution of electricity (excluding rural electrification by Palli Bidyut Samity)

6) Forest extraction (mechanised)

(B) THE CONCURRENT LIST :

This list covers sectors where both public and private investments can take place. The concurrent list includes the following three sectors :-

1) Jute Industry (Sacking, Bagging and Carpet Backing) ;

2) Cotton Textiles (excluding jute/damask, powerlooms and handicrafts/textiles) ;

3) Sugar ;

4) Paper and Newsprint ;

5) Iron and Steel (excluding rolling mills) ;

6) Shipbuilding and heavy engineering (including machine tools and assembly/manufacture of cars, buses trucks, tractors and power tillers);

7) Heavy Electrical Industry;

8) Minerals, Oil and Gas;

9) Cement ;

10) Petro-chemicals (Fertiliser, PVC, Ethylene, Methalco, Carbon-black, Synthetic Fibre etc);

- (1) Heavy and basic chemicals and basic pharmaceuticals;
- (2) Shipping; and
- (3) Appliances and equipment for telecommunication services.

Both sector corporation and the private sector will be permitted to set up industries included in the concurrent lists. A private entrepreneur can also set up an industry in collaboration with the public sector. In deserving cases management can be given to a private party with minority shareholding while majority of shares is held by the sector corporation.

(C) INDUSTRIAL INVESTMENT SCHEDULE:

All sectors/industries not included in the Reserved List will be covered under the Industrial Investment Schedule.

IMPROVEMENT OF OPERATING EFFICIENCY OF PUBLIC SECTOR

4. The aim of the New Policy will be to improve the operating efficiency and profitability of the sector corporations by reducing overheads and wastage, toning up management and improving productivity. In order to achieve this, the following measures will be taken :

(A) EFFECTIVE MONITORING OF MANAGEMENT INFORMATION SYSTEM :

For the enterprises, production norms, targets, raw materials usage and wastage ratios, incentive etc. will be worked out and re-fixed on a more rational basis. The enterprise boards will be given greater powers in respect of purchase, production, sale and fixation of price within the over-all guidelines of the corporations. The Management Information System will be monitored more effectively and regularly by the corporations and the Industries Division so that problem areas can be identified in time and corrective actions taken.

(B) REDUCING CORPORATION'S SIZE BY DISINVESTMENT OF ABANDONED INDUSTRIES :

The present size of the sector corporations will be reduced by disinvesting the abandoned industrial units in a phased manner. Industries established with corporation's own resources/ADP funds may also be disinvested where such units are found to be incurring loss on a continuous basis or not be able to compete with the private sector for various reasons. A disinvestment programme on the above lines has been drawn up by the Industries Division.

(C) OFFER OF SHARES OF STATE SECTOR CORPORATION ENTERPRISES TO THE PUBLIC:

In order to stimulate share market and raise additional funds, shares upto 49% of some of the enterprises managed by the sector corporations will be unloaded for public subscription or operation by the Investment Corporation of Bangladesh.

(D) ENTRUSTING MANAGEMENT OF BIG AND SICK UNITS TO OUTSIDE AGENCIES:

Some of the big industrial enterprises like Machine Tools Factory, General Electric Manufacturing Plant are not at present being managed properly as the corporations do not have the required expertise and capability to run them efficiently. Management contractors will be hired to run and manage some of these units on condition that they will be full responsible for management, production, marketing of products both at home and abroad and their running profitably. With the World Bank assistance, steps have been taken to appoint a suitable management firm for Machine Tools Factory. Similar steps will be taken in respect of GBM Co. Ltd., Chittagong Dry Dock, Pragoti

Industries, North Bengal Paper Mills etc.

(E) FLEXIBILITY IN PRICE FIXING OF PUBLIC SECTOR PRODUCTS :

In order that sector corporations can run on commercial lines, they will be allowed in consultation with Industries Division to adjust selling price of their products, such as fertilizer, newspaper, paper, DDT in line with increase in variable costs, such as increase in raw material price, deterioration in dollar-taka ratio etc. over which they have no control. This adjustment will be limited upto 10% of the existing price.

(F) BANGLADESHI-OWNED JUTE & TEXTILE MILLS :

In order to create a favourable investment climate and confidence in the minds of prospective entrepreneurs, it has been decided in principle to return the jute and textile mills owned by only Bangladeshis to them on the same basis as was before Independence. The modus operandi for return of the units including verification of the claims of Bangladeshi owners will be worked out. In doing so, it will have to be ensured that sale of jute goods in foreign market is not adversely affected.

FOCUS OF THE NEW POLICY FOR THE PRIVATE SECTOR

5. The focus of the New Policy for the private sector will be concentrated on the following areas:-

(A) SIMPLIFICATION OF THE INDUSTRIAL INVESTMENT SCHEDULE :

The Industrial Investment Schedule which is intended as a guide for the prospective investors will be improved and simplified on the following lines. The New Schedule will be effective from 1st July, 1982 :

(i) broad allocation for each sector/industry will be shown;

(ii) the number of sub-sectors with separate allocations will be reduced from 193 to 139 for the present and allocations aggregated ;

(iii) additional information of interest to potential investors will be published (e.g. capacity sanctioned actual utilisation of capacity, proposed capacity to be developed and the investment required for that purpose);

(iv) a separate indicative list of investment for small scale industries will be prepared and published;

(v) a separate indicative list of investment for cottage industries and handicrafts will be prepared and published.

(B) PREPARATION OF PROJECT PROFILES :

To help the prospective investors to decide on the area of investment, the Department of Industries, Investment Advisory Centre, as well as the financing institutions will prepare project profiles and briefs. These profiles will show the investment cost, economic and technical feasibility etc. of the projects. The Small Industries Corporation will also prepare similar profiles on small and cottage industries.

(C) DEVELOPING INDUSTRIAL INFORMATION SYSTEM :

At present industrial statistics and data, particularly information regarding demand, sanctioned capacity, capacity utilised, production etc. are not properly collected nor available. The system of collection and collation of industrial information will be developed and strengthened so that prospective entrepreneurs and other interested agencies can get the required information easily.

(D) SIMPLIFICATION OF SANCTIONING PROCEDURE :

The following measures and policies are decided upon to simplify the sanctioning procedure :—

i) EXPANDING THE LIST OF FREE SECTORS :

The list of free sectors where no formal permission of the Government will be required to set up industries provided entrepreneurs import machinery under Wage Earner's Scheme, Supplier's Credit on acceptable terms or under Non-repatriable Investment is expanded by 19 more sub-sectors as under :—

- 1) Dairy farming and dairy products (except ice cream).
- 2) Dehydration of fruits and vegetables.
- 3) Dry and salted fish for export.
- 4) Fishmeal, fish oil and fish protein concentrates.
- 5) Packaging of tea for export.
- 6) Bee keeping and honey refining.
- 7) Spices processing for export.
- 8) Sericulture, reeling and Silkworm including sericulture.
- 9) Industry based on cotton wastes.
- 10) Jute felt for export.
- 11) Case and bamboo manufacturers.
- 12) Hand made paper.
- 13) Essential oil including essences (based on locally available raw materials).
- 14) Gas appliances.
- 15) Light engineering workshop.
- 16) Industries based on agricultural produce.
- 17) Footwear.
- 18) Finished leather goods.
- 19) Jute balling and jute products.

This facility will be importing machinery for BMR of the existing industries.

(II) FIXING A TIME-LIMIT FOR SANCTION :

(a) The Director-General, Industries will appraise and sanction projects falling within his competence in two month's time from the time fully documented applications are received.

(b) The financing agencies will complete appraisal and sanction of projects within their competence in three months

time from the date fully documented applications are received.

(c) For projects needing their approval of the Investment Board, the financing institutions will complete their appraisal and place them before the Board within four months. The Investment Board will clear such cases within one month.

(d) All the financing institutions will adopt a uniform and simplified project application form.

. (iii) Fixing a time-limit for loan disbursement :

(a) First payment of loan will be made within two months of sanction or donor's approval as the case may be:

(b) The total amount of sanctions by the financing institutions will not at any time exceed the fund/credit available with them by more than 25%.

(c) Even when funds are not available, the financing institutions will continue with the appraisal of projects, get them duly approved and keep them ready so that as soon as funds/credits become available, loans could be disbursed without further delay.

(d) The financing institutions/ Director General, Industries will keep the different Chambers of Commerce and industry informed of the parties who have received sanctions so that the latter could also do some amount of monitoring.

(iv) FURTHER DECENTRALISATION OF SANCTIONING POWERS :

In order to facilitate speedy sanctions, the sanctioning power of BIB and BERS is raised from the present limit of Tk 30.0 million to Tk. 40.0 million. Projects whose imported raw material content is more than 20% will continue to be referred to the Investment Board.

Further, to save the entrepreneurs from coming to Dacca, the sanctioning powers of various bodies are further decentralised as under :—

1. Director General, Industries--Divisional level offices to sanction projects up to Tk 5.0 million and district level offices up to Tk 2.5 million.
2. BSB/BSRS--Regional offices to sanction projects costing up to Tk 2.5 million.
3. Krishi Bank--Regional level offices to sanction projects up to Tk 2.5 million and district level offices up to Tk 1.0 million.
4. BSCIC/Commercial Bank--The head office of banks to sanction loans up to Tk 1.5 million and District Industrial Centres of BSCIC in conjunction with branch offices of banks to sanction up to Tk 0.5 million.

(v) Greater Decentralisation of Powers at Regional Level:

As a natural corollary, and in order to make the above decentralisation effective, similar decentralisation of powers will be made in the following manner:--

- (a) Major commercial banks will authorise their regional managers and district level branches to sanction under their normal rules working capital for industries up to Tk 5.0 million and Tk 2.5 million respectively.
- (b) To facilitate imports under Wage Earner's Scheme, the major commercial banks will designate one branch, each at the district Headquarters.

[4 Jun 82 pp 3, 7]

[Text]

Following is the concluding part of the text of the new industrial policy published in our yesterday's issue :

(vi) SIMPLIFYING THE LICENSING PROCEDURE FOR IMPORTING RAW MATERIALS AND MACHINERY

The licensing procedure will be further simplified as follows:

(a) Import licence for raw materials of an industry will show the broad categories in which raw materials and spares will be lumped together and their values shown against each category. Licenseholders will be eligible to import items upto 150% of Net-value of each category within the over-all license value for which no separate clearance of CCIE/DGI will be required.

(b) Import entitlements of units worked out by the offices of DGI will be adopted by CCIE as the basis for licensing.

(c) At the time of issuance of import licence for raw materials to an industrial unit, excise duty paid by that unit in the previous period will be taken into account in working out the value of license that it will be entitled to. This system will be introduced on a selective basis in a phased manner.

(vii) Improvement in the terms of debt servicing :

The various financing institutions like BSB, BSRS will adopt the following uniform policy :-

(i) The period of repayment of both local and foreign currency loans excepting for trucks/buses, etc., will be

12-15 years depending on the repaying capacity of projects.

(ii) the repayment of foreign loan will start after 30 months of opening of L/C or 18 months after the unit goes into commercial production, whichever is later.

(iii) The repayment of local currency loan will become due after 24 months from the first disbursement.

(iv) for export industries and for those located in less developed areas, the rate of interest to be charged by the financing institutions will be one percent less than that charged for the developed areas.

(v) the financing institutions will undertake re-scheduling of debt of existing industries more liberally in order to mitigate genuine difficulties of the borrowers.

(vi) Bangladesh Bank will work out a suitable mechanism for reducing the burden of exchange rate fluctuations which has greatly affected the borrowers. This will be done in the course of next three months.

(vii) 'ONE STOP' SERVICE AT THE OFFICE OF DIRECTOR-GENERAL, INDUSTRIES :

(a) All investors will be provided with 'one stop' service. The Investment Assistance's Unit located in Director-General's office will be used for this purpose. It will provide necessary services to the investors regarding processing of projects, acquisition of land, arrangement of power/gas, issuing of adhoc licenses for raw material import, formation of company, authorisation from Controller of Capital Issues, etc. A committee consisting of representatives of the agencies concerned will be formed which will meet every fortnight and take appropriate decisions/actions in respect of these matters. The work of this Committee will be supervised and monitored by the High Powered Facilities Board.

(b) In order that problems and difficulties faced by the entrepreneurs in regard to land, water/gas connections, working capital, loan disbursement, etc. can be sorted out at the regional level, a 'Facilities Co-ordination Committee' will be constituted at each district headquarter headed by the Deputy Commissioner of the district concerned. The Committee will include representatives of the Industries Department, Commercial Bank, Financial Institutions, Power Development Board, Local Chamber of Commerce & Industry, etc. This Committee will co-ordinate and expedite matters regarding acquisition of land, water/gas connections, loan disbursement, working capital, etc. required by the sanctioned industrial units.

INCENTIVES FOR INCREASING DOMESTIC PRODUCTION/EXPORT

6. To encourage increased domestic production and exports, some additional incentives will be provided to the manufacturers and exporters. These are given below:—

(i) For commercial and selective industries, there will be rebate of 25% in excise duty on the additional production if such manufacturing units produce more than 100% of their sanctioned capacity.

(ii) Exporters of non-traditional items with actual export earnings higher than 10% of what they did in the previous year will be entitled to a rebate of income tax to that extent.

(iii) Proposals of export of non-traditional items will be given greater emphasis. Efforts will be made not only to discover new such items but also to devise a package programme of incentives for the existing ones with a view to expanding exports.

(iv) The existing power rates for industrial use will be examined and efforts will be made to re-structure them so as to ensure that use of increased quantum of electricity does not act as a disincentive to increasing production.

PROMOTION OF SUB-CONTRACTING'

7. The policy of linkage between big and small industrial units will be consciously pursued so that in course of time small units could act as 'sub-contractors' to the bigger ones. In giving sanctions for new units, particular care will be taken to see that the entrepreneurs are encouraged to manufacture/fabricate only basic items in their premises, leaving the peripheral items to be manufactured by other smaller units.

EMPHASIS ON SKILL DEVELOPMENT & RESEARCH

8. Vigorous efforts will be made to develop skill of workers,

technicians and staff both in the public and private sectors. A comprehensive programme will be drawn up with this end in view. The existing training institutions, universities, etc. will be utilised for this purpose. Extensive in-plant training courses will also be organised to upgrade the skill of workers in order to handle jobs more effectively. Work on industrial research will be stepped up and better tie-up will be established between the Council of Scientific and Industrial Research, the technical universities and industries with a view to deriving maximum of benefit from the results of research by industries and consumers.

CO-ORDINATION OF INDUSTRIAL POLICY, IMPORT POLICY & TARIFF RATES/ TAXES

9. For achieving a co-ordinated approach to industrial investments, particularly for establishing better co-ordination between Government's industrial policy and objectives, import policy and tariff rates/taxes, a High-level Committee has been constituted to review, monitor and co-ordinate actions in this regard. This Monitoring Committee is authorised to examine all proposals of taxes/tariffs/duties etc. having a bearing on industrial production and recommend suitable measures/policies for consideration and adoption by the relevant Government agencies and Ministries.

REGIONAL DEVELOPMENT

10. One of the main objectives of the New Policy will be to promote effective regional development. The existing fiscal incentives and facilities for industrialisation for the less developed areas of the country will be maintained. However, in order to ensure that this policy becomes meaningful and can realise the objective, the following further facilities/measures will be available for the less developed areas:

(i) the import license fee for capital machinery and spares is abolished.

(ii) interest accruing on loans disbursed during the construction period of projects will be calculated and shown separately and will be realized from the borrowers at simple rate of interest in five annual instalments after the unit goes into commercial production.

(iii) the debt-equity ratio for projects will vary from 75:25% to 80:20%.

(iv) (v) a special Fund will be created to subsidize cost of funds used by recognized industrial units in less developed areas by diverting profit from the gas sector. The modalities of creating this fund and its administration will be worked out by a committee consisting of Member, Planning Commission (Industries), Secretary, Industries and Secretary, Energy.

(v) In future, in giving sanctions for new industries, location will be given due consideration.

(vi) for providing pre-investment counselling and guidance to the prospective investors, investment advisory services and promotional work of the Small Industries Corporation will be further expanded.

(vii) investments sanctioned will be periodically monitored.

CATEGORISATION FOR FISCAL INCENTIVES

11. (a) For the purpose of fiscal incentives, various areas of the country have been categorised into two areas as under:

(i) DEVELOPED AREA: This area consists of the metropolitan cities of Dacca, Chittagong & Khulna comprising the police stations of Kotwali, Sutrapur, Lalbagh, Dhammoodi, Ramna, Motijheel, Tejgaon, Demra, Cawthmoni, Gulshan, Mirpur, Mohammadpur, Keraniganj, Joydevpur, Tongi, Narayanganj, Patullah, Siddhirganj, Baodar, Savar, Narsingdi & Kalliganj of Dacca District;

Kotwali, Doublemooring, Chittagong Port, Paobazar, Hathazari, Sitakunda, Raiganj and Raosan of Chittagong district; Khulna, Deulatpur and Phultala of Khulna district.

(ii) LESS DEVELOPED AREA: This area covers the rest of the country.

(b) CONCESSIONARY RATE OF IMPORT DUTY: The rate of import duty on machinery and equipment for setting up new industries and for balancing modernisation, replacement and expansion of existing industries with sanctions of the competent sanctioning authorities will be—

(i) For developed areas—15% ad-valorem (no sales tax)

(ii) For less developed areas—2.5% (no sales tax)

(iii) For BSCIC industrial estates located in the developed areas—2.5% (no sales tax)

In addition, the export oriented industries (with commitment of 80% production) irrespective of location and industries using 70% or more local raw materials (called priority industry) will continue to be entitled to a concessionary rate of 2.5% duty.

COTTAGE INDUSTRIES

12. A major thrust of the New Industrial Policy will be to create additional jobs in the rural areas through the development of rural and cottage industries. A major effort will be to re-activate the traditional handicrafts and new innovative cottage industries. Handloom, sericulture, pottery, rural agro-based industries etc. will receive special attention. Wherever possible, products will be identified and reserved exclusively for production by small and cottage industries.

For the development of cottage industries, BSCIC through its net-work of extension officers and staff will (a) organise training for the artisans for skill development as well as for improvement of management technique, (b) undertake product

development and dissemination and (c) supply new and improved designs. (d) will provide necessary credit in conjunction with commercial banks. Disbursement of loans will be done on the basis of recommendations of BSCIC for which a separate window or credit line will be opened by the Bangladesh Bank, (e) will provide assistance in the shape of supply of raw materials and marketing of products through its subsidiary company, the Bangladesh Handicrafts Marketing Corporation. The activities of the Bangladesh Handicrafts Marketing Corporation will be expanded for this purpose.

OPERATIONAL CO-ORDINATION WITH FINANCING INSTITUTIONS

13. For better operational co-ordination with the financing institutions, the Secretary, Industries Division will be appointed as Chairman of the Board of Directors of BSB and BSRS.

EQUITY SUPPORT FOR INVESTORS

14. In order to meet the equity gap of the sponsors of projects, the functions of the Investment Corporation of Bangladesh will, in addition to providing, among others, bridge finance, be expanded to include the provision of equity support.

EXPORT-ORIENTED INDUSTRIES/EXPORTS

15. Government is determined to augment the country's export earnings and to achieve this objective a number of facilities and incentives for export-oriented industries have been offered. The following further incentives will be provided to this sector:

(i) the commercial banks will provide upto 90% of requirement of working capital against irrevocable letters of credit.

(ii) the financing institutions will reschedule repayment of liabilities of export industries on a more liberal basis.

(iii) the present facility under the Export Credit Guarantee

Schemes will be given more extensively to the export oriented industries.

(iv) A system of NATIONAL payment of import duty and sales tax will be adopted for export industries on selective basis in phases. In the proposed system, records of raw materials and packaging materials imported and the advalorem duty and taxes payable would be kept pending against exporters' accounts in a suspense register by the Customs Department. The exporter's liability would be removed on production of proof of export within a stipulated time period.

(v) the list of exportable items for Export Performance Licence as also the basis of entitlements will be revised in the light of the joint study being carried out by Bangladesh Bank and Export Promotion Bureau.

(vi) a proposal is under consideration to provide insurance coverage against loss of production on account of power failure, limited for the present to export industries.

FOREIGN INVESTMENT

16. Foreign Investment will continue to receive due consideration and Government would welcome foreign participation in joint ventures on mutually beneficial terms and conditions. Foreign Investments will be encouraged specially in—

(i) new enterprises, particularly those requiring specific technology available to the foreign investors which will make an additional net contribution to the economy, including the training of Bangladeshi;

(ii) undertakings in which more intensive use of natural resources is made;

(iii) in export-oriented industries;

(iv) in capital intensive technologies, the products of

which will be either import substitution or export oriented;

(v) in existing public or private sector enterprises where an injection of foreign capital or technology will mean an increase in productivity and an improvement in the product.

EXPORT PROCESSING ZONE

17. The EPZ is being reactivated and the Authority has already been constituted. A vigorous campaign to attract foreign as well as Bangladeshi Investors to set up industries in the Zone will be soon mounted. The zone is expected to act as a catalyst to attract foreign investors to the country.

INVESTMENT COUNSELLING/ MANAGEMENT TRAINING

18. An area which will be given special attention is the provision for investment counselling and management training to the existing and prospective entrepreneurs. Pre-investment and post-investment advisory services will be strengthened. Project profiles and briefs will be prepared for wide distribution. Special Management training courses will be organised. With this end in view the work of the Investment Advisory Centres and Management Development Centre will be strengthened and expanded. The private management institutes and the Chambers will also be given necessary help to organise management courses in large number.

OTHER FACILITIES/ INCENTIVES

All other incentives/facilities etc. to the extent not amended or revised, or replaced by the provisions in the New Industrial Policy, will remain unchanged.

BANGLADESH

REPORTAGE ON 1982-83 ANNUAL DEVELOPMENT PROGRAM

Program Approved

Dacca THE BANGLADESH OBSERVER in English 22 May 82 p 1

[Text] The National Economic Council approved on Friday evening the Annual Development Programme for 1982-83, reports BSS.

The council met under the chairmanship of Lt General H. M. Ershad the Chief Martial Law Administrator on May 20 and 21 to consider the size, priorities and sectoral allocations of the ADP.

The approved ADP of Tk 3300 crore represents 21.55 per cent increase over the revised ADP for 1981-82. The development agencies are expected to invest around Taka 13 crore from their own resources which will raise the development programme to a total of Taka 3313 crores. Besides 3 lakh tons of wheat worth Taka 133 crore will be utilised in development projects under the Food for Works Programme.

In the ADP for 1982-83 priorities have been given to food and agricultural production, population control, primary technical and science education power and gas development and rural uplift.

A total amount of Tk 1051.40 crore representing over 36 percent of the ADP has been allocated for agriculture and rural development projects. Further in keeping with the government's declared policy of accelerating rural development, a block allocation of Taka 150 crore has been provided for thana level administrative infrastructure, feeder roads and small irrigation projects. The allocation for industries is Tk 414.71 crore, for energy development Tk 639.82 crore, for transport and communication Tk 526.58 crore, for education Tk 129.12 crore and for health and population programme Tk 158.01 crore.

The programmes and projects that will contribute to the growth of the economy help domestic resource mobilisation, and reduce export-import gap have received preference in the ADP for 1982-83. In the overall all programme of Tk 3300 crore, Tk 1705.87 crore or 52 per cent has been earmarked for directly productive projects. This package includes 192 projects with an allocation of Tk 1128 crore for export expansion and import substitution.

On assessment of growth potentials expectation of a favourable weather and possible upturn in domestic and external demand for industrial projects, the council approved a target of 7.2 per cent growth in GDP for 1982/83.

The National Economic Council also decided on a number of administrative measures which will speed up the implementation of development projects and reduce waste in public expenditure.

Sources of Funding

Dacca HOLIDAY in English 23 May 82 pp 1, 8

[Text]

The size of the annual development program (ADP) for the fiscal 1982-83, has finally been decided at the level of 3300 crore-taka, representing an increase of 21.55 percent in nominal terms over the ADP for 1981-82 at Tk 2714.93 crore.

The National Economic Council (NEC), accorded the approval to the ADP after its two-day meeting which concluded on Saturday with Lt. General H M Ershad, Chief Martial Law Administrator, as the chair.

Though no details about the financing pattern for the new ADP have yet been officially released, informed sources say that the dependence on foreign aid for the implementation of the ADP in 1982-83 would be at the level of about 65 percent.

The domestic resources would provide the rest of the 35 percent of the funds. Some adjustments in the financing pattern for the ADP are still likely in the course of the finalization of the exercise for the coming year's national budget.

When the ministry of finance would be through with its routine budgetary exercises for 1982-83, the

clear picture about the surpluses on the revenue account of the government would be available.

Besides the allocation of Tk 3300 crore from both external aid and internal revenue surpluses, the development agencies including the autonomous bodies would mobilize a total of Tk 13 crore from their own resources, thereby raising the development program component of Tk 3300 crore in 1982-83.

Outside the ADP expenditure, the Food-for-Work program (FFWP) in 1982-83 would involve the utilization of Tk 133 crore for various development projects of the local bodies. Three lakh tons of wheat would be distributed for the implementation of various projects under the FFP.

ON-GOING PROJECTS

The main thrust of the coming ADP would be placed on the completion of on-going projects so that such projects can contribute quickly to the growth of the productive potentials of the economy. In the overall program of Tk 3300 crore Tk 1705.87 crore or about 52 percent have been earmarked for direct productive projects. The rest

Tk 1595 crore, will be meant for projects of infrastructural nature.

The allocation of Tk 1705.87 crore for direct productive sectors will include 192 projects with a provision for Tk 1128 crore for export expansion and import substitution.

The broad sector-wise allocation in the new ADP will be as follows: agriculture and rural development—sector: Tk 1051.40 crore; industries—Tk 416.77 crore, energy development—Tk 539.52, transport and communication Tk 526.58 crore, health and population—Tk 168.01 crore and education—Tk 129.12 crore.

GROWTH RATE

The growth target of the economy for 1982-83 has been set at 7.2 percent on "assessment of growth potentials expectation of a favorable weather condition and possible upturn in domestic and external demand for industrial projects" by the NEC.

Meanwhile, the Planning commission is yet to finalize its work for preparing a hard-core program for the rest of the current second five year plan (1980-85) period. Unrealistic assumptions, short-fall in resources' availability

both on external and domestic accounts, lack of success in anticipated level of improvement in management and implementation capacity and other operational lapses have by now made it quite clear that the draft second plan document has lost much of its practical relevance to the current situation, prevailing in the country.

The draft plan, to mention here, anticipated a total financial outlay of Tk 25,595 crore, including gross investment and working capital expenditure of Tk 20,010 crore and non-investment development outlay of Tk 5,585 crore.

The non-investment development outlay, as anticipated in the draft

plan, included such items as subsidy on fertilizer and seeds, cost of land acquisition, interest and amortization, if any, wages and salaries of some service-oriented promotional activities, and ad hoc recurring expenditures of certain agencies lingering in the development budget.

The draft plan expected that gross investment of Tk 20,010 crore would be financed by net inflow of external resources of Tk 13,880 crore and domestic savings of Tk 6,130 crore.

The financial outlay, as was envisaged in the draft second plan document, was estimated at constant 1979-80 prices.

Now after the lapse of two years of the five year plan period (1980-85), the

projection in the draft plan document both about working capital requirements and non-investment outlay for its implementation has turned out to be an over-ambitious one.

This has earlier prompted the Planning Commission to prepare a hard-core program for the rest of the plan period on more realistic lines keeping in view the concrete resource potentials, the actual implementation capacity and the pressing sectoral needs and requirements.

Planning Commission people feel that the attainment of even the half of the draft plan size at 1979-80 constant prices in terms of financial outlay would be considered a 'commendable feat of achievement' in the present circumstances.

Domestic Resource Mobilization

Dacca HOLIDAY in English 23 May 82 p 3

[Text]

The annual development program for the next fiscal year which is now being finalized will be supported by an intensive drive for domestic resource mobilization.

According to a recently published document of the government, tax revenue including new measures is estimated to register an increase by 23 percent to Tk 25.18 billion and non-tax revenue by 2.2 percent to Tk 6.58 billion in 1982-83.

It is learnt that the government is actively considering various economic and fiscal policies and measures in line with the commitments to donor aid group meetings, specific aid agreements, annual aid negotiations and IMF

arrangements.

The new measures are likely to include enhancement of prices of petroleum products and newsprint, land revenues and power rates. Besides, subsidy on rice, wheat, fertilizer and minor irrigation equipments has also been proposed to be reduced.

It may be pointed out that according to commitments of Bangladesh to donors, power rate should reach a level by July 1983 so as to produce a rate of return on earlier revalued net fixed assets sufficient to cover interest payments, bad debt and finance a reasonable portion of investment.

Another commitment is that petroleum product

prices should be so fixed as to pass on the increased cost of crude import to the consumers without delay and some ways should be found for agricultural taxation. Increase in land tax is also being considered as per the commitment.

Bangladesh is committed to deepen its tax base, broaden the tax net and bring down the flow of external resources inclusive of food aid as a proportion of development outlay in a way so that it constitutes 72 percent of the total in 1982-83.

FOREIGN AID

The disbursement of foreign aid has been extremely slow this year due to failure of the government to mobilize targeted amount of domestic resources.

The shortfall in domestic resource amounted to Tk. 1949 million in the current fiscal year as against Tk. 667 million in 1980-81.

Consequently, the development budget was cut down by Tk. 3310 million in 1980-81 and Tk. 3000 in 1981-82.

The failure of domestic resource to meet the budget requirement is attributed by the government to lower revenue surplus and high commitment on capital account beyond the purview of ADP. Revenue surplus fell, according to government evaluation, mainly on account of shortfall in non-tax receipt by an amount of Tk. 372 million and the shortage of capital account was Tk. 320 million.

STAGNANCY

The decline in rural income following crop failure and negative growth of the agriculture sector, alarming balance of payment situation and domestic credit squeeze resulted in stagnancy in the non-agriculture sector.

GDP grew at the rate of over 6 percent in 1980-81 and the non-agriculture sector at the rate of 4.9 percent while GDP growth declined to an alarming low level in 1981-82 and the expansion of the non-agriculture sector slowed down to 3.6 percent.

Mobilization of domestic resources in the current fiscal year was also affected by the poor disbursement of commodity aid over the last two years.

CSO: 4220/7442

BANGLADESH

DETAILS OF ASIAN DEVELOPMENT BANK LOAN REPORTED

Dacca THE BANGLADESH OBSERVER in English 6 Jun 82 p 1

[Text] The Asian Development Bank (ADP) approved loan and technical assistance to the tune of \$209.9 million during the year 1980-81, according to the annual report of the Bank for 1981.

The report of the Bank which has been published recently stated that the Bank provided record lending support for its member developing countries and expanded substantially its co-financing arrangements and borrowing in international capital market.

In Bangladesh, the Bank approved loan for community schools, power system rehabilitation and expansion, second crop intensification programme Chittagong urea fertilizer project community forest small scale irrigation, hector and technical assistance to Bhola irrigation project second tube well project. Community Forestry Institution building and feeder road improvement project.

Highest amount of loan has been approved for Chittagong urea fertilizer factory. The amount is \$72 million. The community schools programme \$13.5 million power system rehabilitation and expansion \$26.5 million second crop intensification programme \$18 million community forestry \$11 million, small scale irrigation sector \$50 million, technical assistance to Bhola irrigation project 2.19.300 dollars second tubewell project \$400,000 community forestry \$1,84 million. Community Forestry Institution building \$2.50.000 and feeder roads improvement \$3.10.000.

CSO: 4220/7457

BANGLADESH

OPEC AID INCREASES, SOCIALIST AID DOWN

Dacca THE NEW NATION in English 16 May 82 pp 1, 8

[Text]

Aid flow from the socialist countries to Bangladesh has considerably decreased over the last two years while the OPEC sources have raised their share in the total aid received by Bangladesh. The traditional western aid-giving sources have been still contributing its lion's share.

During the last two fiscal years Bangladesh received fresh commitment of 3.6 billion dollars, but disbursement was only 2.3 billion dollars.

The Aid Group sources provided 2.8 billion dollars to the country against only 146 million dollars committed afresh during the period under review by Soviet Union and 16.7 million dollars by China.

Other socialist countries—Bulgaria, Czechoslovakia, GDR, Hungary, Poland, Romania and Yugoslavia, which used to contribute their mite to the development budget of Bangladesh have refrained from providing any fresh assistance to Bangladesh.

It may be pointed out that Soviet Union has made a fresh commitment of only 20 million dollars for the next fiscal year.

The east European socialist countries which maintained close relations with the regime before August 15, 1975 have

been keeping loose ties with Bangladesh since then.

But the OPEC sources made fresh commitments of 327 million dollars in 1980-81 and 1981-82, and disbursement of aid by them was 181 million dollars.

Currently, in view of the resource constraint and recession in the western world Bangladesh has intensified its efforts to line up increased amounts of aid from the OPEC sources, particularly Saudi Arabia.

The traditional Aid Group sources have been putting pressure on Bangladesh to reduce its dependence on foreign aid. Bangladesh is committed to bring it down phasewise and seek 72 per cent of the total development budget in fiscal 1982-83.

According to a government document, the slow rate of disbursement of aid was due to its failure to mobilize take resources which have substantially decreased in the current fiscal year.

CSO: 4220/74 38

BANGLADESH

NORWAY GIVES AID FOR PORT, WATERWAY CONSTRUCTION

Dacca THE BANGLADESH TIMES in English 15 May 82 p 1

[Text] The Government of Norway will provide a grant of 30 million Norwegian Kroner equivalent to Taka nine crore, to Bangladesh for financing development of inland ports and waterways under an agreement signed in Dacca on Friday, says an official announcement.

The fund will be utilised for construction of jetties and terminal facilities at Barisal and Chandpur, supply of navigational aids and also for technical and economic feasibility study for improvement of waterways in Lakhya basin to be undertaken by the Bangladesh Inland Water Transport Authority.

During the last 9 years from 1973-74, Bangladesh has received Nkr 635 million which is equivalent to Taka 190 crore. Bangladesh would receive Nkr 160 million, equivalent to Taka 48 crore for the year 1982.

Norwegian aid has been used in the transport infrastructure, health and family planning and women welfare projects. Oil tanker Banglar Noor was brought under Norwegian aid. Their commodity, aid, both tied and untied has been used to buy fertilizer, cement, farm equipment, educational equipment and industrial raw material mineral products, etc.

The agreement has been signed by Kazi Fazlur Rahman, Secretary, External Resources Division and Mr Rolve Hultin, Resident Representative of Norwegian Agency for International Development (NORAD) on behalf of their respective Government.

CSO: 4220/7435

SLOW DISBURSEMENT OF CONSORTIUM AID NOTED

Dacca THE NEW NATION in English 9 May 82 pp 1, 8

[Text]

The total commitment of the top eight aid-giving countries to Bangladesh for next fiscal year has so far come to 1050.5 million dollars.

Japan with a commitment of 309 million tops the list while Soviet Union with a commitment of 20 million dollars is placed in the last of the eight-member list.

April meeting of Aid-Bangladesh Consortium has committed 1.7 billion dollars to Bangladesh for the year 1982-83 as against the country's estimated requirement of 2.4 billion dollars. Besides, the country has been trying to line up more aid through bilateral arrangements.

The Consortium disbursed only 824.9 million dollars in the first eight months of the current fiscal year ending in last February out of its total commitment of 1699.46 million dollars for the year.

The slow disbursement of committed aid has resulted in the suspension of works on many projects, unusual delay in undertaking a number of them, slanting of some projects from the Annual Development Programme and decline in the import trade of the country.

The top eight aid giving countries committed 877.5 million dollars for the current fiscal year

The FRG which is seventh in the list of aid-giving countries of the year 1982-83 has been lagging behind eight other countries—Saudi Arabia, Japan, the USA, the USSR, Kuwait, France and the UK in its commitment for the current fiscal year.

The USA with a commitment of 245.5 million dollars is closely following Japan by a margin of 63.5 million dollars and is placed just one number above Saudi Arabia by a difference of 20.5 million dollars for 1982-83.

The Netherlands has so far committed 80 million dollars, the United Kingdom and Kuwait both 60 million dollars each, FRG \$1 million dollars and the USSR only 20 million dollars.

In a recent letter to the Government the Ambassador of Bangladesh in Japan described Japan as a major partner in the development of the country. He expressed his optimism about the prospect of getting doubled aid from Japan by 1983.

It may be pointed out that leader of Bangladeshi delegation to the last year's United Nations conference on LDCs held from August 27 to September 14 observed that the material increase in Japan's aid to Bangladesh would greatly benefit the country.

He expected a doubling of Japan's aid volume in five years.

Bangladesh is the recipient of second highest amount of Japanese aid while Indonesia is at the top of its aid recipients.

Saudi Arabia is leading the aid givers in commitment of aid for the current fiscal year while Japan and the USA are second and third respectively. The commitment of Saudi Arabia for the year is 281 million dollars.

The USSR committed 72.2 million dollars for 1980-81 and 74 million dollars for 1981-82. But surprisingly it has reduced it to a small amount of 20 million dollars for 1980-83.

However the concerned government official are not very hopeful about the improvement of disbursement of aid for the next fiscal year.

BANGLADESH

GOVERNMENT OFFERS NATIONALIZED FIRMS FOR SALE

List Published 9 May

Dacca THE BANGLADESH OBSERVER in English 9 May 82 pp 1, 12

[Text] The Government has decided to disinvest 10 nationalised industries in the 14 Disinvestment package, says a PID handout.

These industries are: National Tannery, Hazaribagh, Dacca Bengal National Tannery, 118, Hazaribagh, Dacca; Jatric Publication, Gulistan Building, Dacca; Madina Tannery, Hat Hazari Road, Chittagong; Hamedia Metal Industries, Ltd, 140, Baizid Bostami, Nasirabad Industrial Area, Chittagong; Husein Industries, Ltc, 83, Saga rika Road, Pahartali, Chittagong; Ice Industries, Ltc, Comilla Road, Chandput, Comilla; Bengal Belting Corporation, 7481 Nasirabad Industrial Area, Chittagong; Star Particle Board Mills Ltd, Kuripara, P. O. Madnpur, Demra, Dacca; and Javed Tannery (Godown), 119 Hazaribagh, Dacca-9.

Prospective buyers have been invited to bid sealed tenders in prescribed forms. Tender forms, relevant papers and other necessary information will be available at the office of the Member-Secretary, Working Group on Disinvestment Industries Division, Ministry of Industries & Commerce, Shilpa bhaban, Motijheel Commercial Area, Dacca, between 9:30 am to 12:30 pm, from May 17 to June 21, 1982.

The Government has also decided to allow bids in foreign exchange some premium over bids in local currency. The details in this regard will be available in the "Terms of Bidding."

More Firms Listed

Dacca THE BANGLADESH TIMES in English 15 May 82 p 1

[Text] The Government has decided to offer eleven more industrial concerns for sale in the Fifteenth Disinvestment package, says an official announcement.

The industries are: Ground Nut Oil Mills, Kuliar Char, Mymensingh, Dada Ltd, including Hossain Oil Mills and Data Salt Factory, 26, Strand Road

Chittagong; Babu Oil Mills (Bd) Ltd, (including Star Metal Industries) 365. Strand Road, Chittagong; I. K. Industries and Abdur Razzak Ltd, 236, Baizid Bostami Road, Chittagong; Zofine Fabrics Ltd, Savar, Dacca; Omar Sons (Structurals) Ltd, 360, Tejgaon Industrial Area, Dacca; Karim Rubber Industries Ltd, Fatullah, Dacca; Cresent Industries, Nasirabad, Chittagong; Habib Industries (Match Factory) Ltd, Poscagola, Dacca; Bangladesh Chome Tannery, Hazaribagh, Dacca and Mohammadi Iron and Steel Works Ltd, Nasirabad Industrial Area, Chittagong.

Prospective buyers have been invited to bid sealed tenders in prescribed forms. Tender forms, relevant papers and other necessary information will be available at the office of the Member-Secretary, Working Group on Disinvestment, Industries Division, Ministry of Industries and Commerce, Motijheel Commercial Area, Dacca from June 1 to July 5, 1982.

The Government has also decided to allow bids in foreign exchange some premium over bids in local currency [sic]. The details in this regard will be available in the "Terms of Bidding."

CSO: 4220/7435

BANGLADESH

EXPORT PROMOTION COUNCIL MEETING OPENS IN DACCA

Industry Minister Opens Meeting

Dacca THE BANGLADESH OBSERVER in English 11 Jun 82 pp 1, 12

[Text] The overall export target of Taka 1400 crore has been proposed for the coming financial year 1982-83. This amount is Taka one hundred crore lower than the related target of Taka 1500 crore for 1981-82 but Taka two hundred crore higher than the estimated earning of Taka 1200 crore from exports during the current financial year.

The proposals on export policy 1982-83 were placed before the seventh meeting of the Export Promotion Council (EPC) at a local hotel in the city on Thursday.

Sector-wise projections in the proposed export targets for 1982-83 indicate that the jute sector would account for 62.5 per cent of the total target which means a projected export earning of Taka 875 crore in terms of value from the sector. The non-jute items are expected to provide the balance of Taka 525 crore or 37.5 percent of the total export target. Manufactures will account for Taka 960 crore or 68.57 per cent of the total target while primary commodities are targeted to earn Taka 440 crore or 31.43 per cent. Of the total target for manufactures item jute manufactures are projected to contribute a sum of Taka 655 crore while the value of non-jute manufacturing will amount to Taka 305 crore. In the primary commodities group the target of raw jute is set for Taka 220 crore and that of non-jute primary commodities also at the same level.

Export Promotion Bureau (EPB) in its proposals for 1982-83 notes that the export-targets for 1982-83 has been determined mainly by international market and supply conditions within the country. On the marketing side there is no firm indication that the global market trends are likely to show any significant improvement either in price or in demand during the next year. In this situation a more aggressive market approach is necessary. The EPB feels "much of the ability to achieve the target will depend on supply to the public and private sector increased supply and sales."

The specific item-wise export targets for 1982-83 have been proposed as follows: raw jute--Taka 220 crore; jute goods--Taka 620 crore; jute carpet--

Taka ten crore jute; yarn and twine--Taka 25 crore; leather--Taka 125 crore; frozen food--Taka 100 crore; tea (including packet tea)--Taka 85 crore naptha furnace oil & bitumin--Taka 65 crore; chemicals & pharmaceutical products--Taka 36 crore; paper & allied products--Taka 25 crore; garments--Taka 25 crore; agricultural products (tobacco, fruits & vegetables, betel leaves, potato, spices and raw cotton)--Taka 20 crore; engineering products--Taka eight crore; handicrafts--Taka three crore; hosiery, specialised textiles & household linen--Taka three crore and others--Taka 25 crore.

While highlighting the salient features of the proposed export policy for 1982-83 at the EPC meeting Mr R. A. Majumder Vice-Chairman EPB observed that it would focus its main attention on supply development quality control extended bank credit facility further liberalising the incentives structure and specific commodity-wise target market development.

The proposals for liberalising further the export incentives for the coming fiscal year relate to measures for enhancing the effective premium value under Import Entitlement Scheme (IES) revision of IES list introduction of a National Payment of Import Duties and Sales-taxes in place of the existing Duty Rebate Scheme for the export-oriented industries setting up of a separate and adequate credit line for the export sector continuation of concessional rate of duties for export-oriented industries on an extended scale and introduction of a bonus on premium in case of no claim in the export insurance of a particular year.

Report on Policy Proposals

Dacca THE BANGLADESH OBSERVER in English 11 Jun 82 pp 1, 12

[Text] Mr S. M. Shafiqul Azam, Minister for Industries and Commerce, called for a coordinated national thrust for boosting and strengthening the country's export trade.

Inaugurating the seventh meeting of the Export Promotion Council (EPC) at a local hotel in Dacca on Thursday, the Minister felt that all the agencies of the Government including the banks, the fiscal authorities, the Department of Industries and all other bodies must put in well-concerted efforts to make the programme for export promotion a total success. It cannot certainly be the singular responsibility of the Export Promotion Bureau or for that matter the Ministry of Industries and Commerce to strengthen, develop and expand the export trade sector of the economy, he noted.

The inaugural session of the EPC meeting was also addressed by Mr M. Matiur Rahman, Secretary, Commerce Division and Mr R. A. Majumder, Vice-Chairman Export Promotion Bureau.

In his speech, the Minister noted that only a lip-service has since long been given to the export promotional drive in the country. He observed that export, import, industrial and fiscal policies are all intertwined together and as such, the efforts for an accelerated rate of export growth must be

supported and sustained collectively by the Government as a whole. He stated that the totality of the problems confronting the export sector should be viewed from a national point of view.

Underscoring the need for rapid expansion of the country's export trade, he cited the examples of South Korea, Taiwan, Singapore and Hong Kong which countries, he observed, had reached the current stage of their economic growth through the successes in their vigorous efforts to strengthen, expand and boost the export earnings from their economies. He felt that Bangladesh should follow the examples of the aforementioned countries through the practice of a totality of approach to promote exports on a vigorous and extended scale.

The Minister said that the export promotional drive in our country has perforce to be supported by effective efforts to boost production both in fields and factories. He stated that the growth of domestic manufacturing process would enable the country to export items and products in value-added form and thus to earn more in terms of value through the export trade. He was of the view that the increased production of more agricultural commodities in commercial lines would facilitate the export of the same without affecting the domestic supplies.

Mr Shafiu Azam noted tremendous potentials for the country's export trade in leather, frozen food, handicraft, readymade garment, hosiery and handloom products. He stated that the current export earnings of about Taka 250 crore from such products could at ease be two-fold, three-fold or even four-fold within a short time with more concerted efforts. He observed that the country should also make endeavours to progressively increase the quantum of export earnings from jute goods and raw jute.

He said that the Government would extend all possible assistance to the exporters by way of simplifying the procedures and providing additional incentives in the export sector. He stated that his Ministry had already taken up the matter with the Bangladesh Bank for opening a separate line of credit for the export trade. He pointed out that facilities like expansion of export credit guarantee scheme, insurance cover against power failure and concessionary rate of interest have already been provided for in the new industrial policy for the export oriented industries.

The export performance in 1981-82 was reviewed at the meeting of the EPC. The export proposals for 1982-83 were also placed before it.

Export earnings during 1981-82 are expected to amount Taka 1200 crore. This estimate has been made by Export Promotion Bureau (EPB) on the basis of actual exports at Taka 1017.3 crore effected from July, '81 to April '82 and projection of Taka 182.7 crore for May and June '82. Thus the total estimated export earnings at 1200 crore during the year under review will fall short of the target of Taka 1500 crore for the year by about Taka 300 crore or by twenty per cent.

The export earnings in 1981-82 would, however, indicate an increase of Taka 40.1 crore at current rate of exchange over the actual export earnings of Taka 1159.9 crore in 1980-81. But, in real terms the earnings will record a decrease in 1981-82 over those in 1980-81 since the exchange rate of Taka for U.S. dollar (or, for that matter related foreign currencies) was Taka 19.5 for one dollar in 1981-82 as against Taka 16 in 1980-81.

The adjustment in the conversion rate of Taka to U.S. dollars reflects an average depreciation in the value of Taka in terms of U.S. dollars by about 21.875 per cent in 1981-82 over the related average exchange rate of Taka 16 for one U.S. dollar in 1980-81. When this currency rate adjustment factor is taken into account the nominal increase in exports during 1981-82 over the level of the preceding year would be more than neutralised by the depreciation in the value of Taka in terms of U.S. dollars during the period under review.

In the overall estimated export earnings in 1981-82 the share of primary products would be around 35 per cent and that of manufactured products at 65 per cent. The relative shares of primary products and manufactured products in the export earnings in 1980-81 stood at 29 per cent and 71 per cent respectively.

Giving an overall review of export performance in 1981-82, the EPB in its export proposal for 1982-83 notes that the jute sector would alone account for Taka 228 crore in the overall export shortfall of Taka 300 crore (in relation to export target) in 1981-82. The shortfall in non-jute sector is expected to be around Taka 72 crore.

During the first ten months of the current financial year, i.e., July '81 to April '82 period, non-jute sector contributed 38-29 per cent to the total export earning and the contribution of the jute sector was 61.71 per cent. In relation to the target jute sector is 24.67 per cent behind the average target for first ten months of the year and non-jute sector is 6.51 per cent.

Non-jute products, particularly frozen food, leather and readymade garments fared well during the current year. Despite marketing constraints and supply difficulties, exports of leather and frozen food are expected to exceed their respective targets of Taka 110 and Taka 82 crore by Taka 5 crore and Taka 11 crore. Tea and readymade garments are also likely to exceed their targets. Earnings from readymade garments will be Taka seven crore more than the last year's earning of Taka 5.3 crore. Paper and allied products and handicrafts are, however, expected to fall short of their respective targets by Taka 27 crore and Taka nine crore by Taka 15 crore and Taka 3.9 crore respectively.

While raw jute exports are expected to earn Taka 215 crore in 1981-82, jute goods are estimated to realise Taka 557 crore during the year. Volume-wise, raw jute exports will be about 19.84 lakh bales and jute goods including jute carpet and jute twine & yarn are likely to be around 4.23 lakh tons.

The average price of raw jute was Taka 1063.50 per bale in 1981-82 as against Taka 999.37 per bale in 1979-80. The average price of jute goods per ton was Taka 10,621.64 in 1981-82 as against Taka 11,790.55 in 1980-81. Thus although the price of raw jute was marginally higher than the last year's price the price of jute goods declined by a substantial amount. The advantage of a price rise of raw jute could not be fully utilized during the year under review owing to inadequate availability of high quality jute.

The EPB accounting the shortfalls in export earnings in 1981-82 felt that the continuing world-wide recession had caused decline in both demand and prices for some of the country's major export products. The other contributory factors as noted by EPB included inadequate supplies for export combined with inadequate shipping facilities and absence of proper marketing approach to meet continuing world-wide recession, inadequacy of supplies, inadequate shipping facilities, fall in incentive values and inadequate export financing.

CSO: 4220/7463

PRESS CONFERENCE HELD ON OVERSEAS EMPLOYMENT

Dacca THE BANGLADESH TIMES in English 15 May 82 pp 1, 8

[Text] The government will shortly announce a comprehensive overseas employment regulation to effectively regulate manpower export.

Addressing a crowded press conference at the cabinet room of the Bangladesh Secretariat on Friday, Air Vice-Marshal (retd) Aminul Islam, Adviser in-charge of the Ministry of Labour and Manpower Development, said that the immigration act of 1922 will also be amended to suit the changed needs.

He said that the amendment of the act and the overseas employment regulations were being drafted and would be announced soon.

The Adviser said that the Immigration Act of 1922 enacted to regulate voyages by sea at that time had become obsolete. It would be amended to suitably safeguard the interests of the people.

He said that the overseas employment regulation will mainly regulate the activities of the manpower agents and also provide guidelines to the foreign job seekers to free the manpower export business from present anomalies.

Air Vice-Marshal (retd) Aminul Islam said that due to anomalous situation, innocent people were cheated by some unscrupulous manpower exporters. While the government would encourage the private manpower exporters to grow it would also wish to see the agents go through the procedures and not harass the commonman.

The Adviser said that the manpower export trade began in a virtual rag tag fashion in 1976 but the country moved quite ahead in this respect in 1981 when a large number of skilled and unskilled labour was exported.

The Adviser said that in 1976, a total of 6087 people went to various Middle Eastern countries. The figure was 19,725 in 1977, 22,809 in 1978, 24,485 in 1979, 30,573 in 1980 and 55,787 in 1981. Between January 1982 and April 1982, a total number of 21,476 people were exported as against 12,845 sent during the corresponding period of 1981.

He said that the country earned Tk 35.85 crore in foreign exchange through manpower export in 1976. The figure rose to Tk 125.16 crore in 1977. Tk 165.59 crore in 1978, Tk 266.74 crore in 1979, Tk 493.15 crore in 1980 and Tk 602.77 crore in 1981.

The top ten countries which gave us maximum earning under this head are Saudi Arabia, United Kingdom, USA, UAE, Kuwait, Iraq, Qatar, Oman, West Germany and Bahrain.

The Adviser said that till December, 1981, there were 1,55,466 Bangladeshis serving in different Asian and African countries. The countries were: Abu Dhabi--31,460, Qatar--9,892, Kuwait--15,641, Iran--2,059, Iraq--20,366, Saudi Arabia--33,332, Libya--12,342, Bahrain--5,596, Oman--20,355, Singapore --1,862, Nigeria--166, Jordan--266, Algeria--56 and Malaysia--27.

The Adviser said that the figure did not include those, approximately 25 thousand, who went to different countries through unauthorised channels. Of the employed people, on an average 5000 people returned home every year.

In reply to a question, the Adviser said that there were offices of Labour Attaches of Bangladesh in seven countries. They were: Saudi Arabia, Libya, Iraq, Qatar, UAE, Kuwait and Iran. Offices of two Labour Attaches, one at Bahram and another at Muscat would be opened soon, he said.

In reply to another question, the Adviser said that the new act and regulation would act as deterrent against fraud and cheats. Besides, he said, the Martial Law regulations promulgated in this respect had already produced good results. A number of alleged cheats had been hauled up while many defaulters were voluntarily returning the money taken from the people assuring foreign jobs.

He said that 399 manpower agents were appointed since 1976 of whom 75 were either blacklisted for various reasons or their licences were not renewed. He said that while the activities of the old agents would be thoroughly probed into, new agencies would be given after proper enquiry of their antecedents by two separate agencies. "In the past recommendations played a significant role in appointing agents, we shall go for credibility and integrity," he said. He warned that the government would take stern measures against those violating contracts. "We want to develop a system" he said.

In reply to a question, the Adviser said that 49.28 per cent of manpower was exported through individual channels, 39.83 per cent through private agents and 10.89 per cent through government channel. "While we shall try to increase the volume through government channel although the private sector would be given due inducement."

In reply to a question Air Vice Marshal Aminul Aslam said that decisions had already been taken regarding sending of our women for foreign jobs. While no woman would be allowed to serve as a maid servant in any foreign country there were provisions for exporting nurses and female teachers under certain conditions.

When his attention was drawn to certain news items carried out in a section of the Pakistani Press regarding smuggling of women from Bangladesh, the Adviser said that the government did not corroborate views expressed in those newspapers.

The Adviser said that although there was huge demand for Bangladeshi manpower in foreign countries, we did not have enough skilled and semiskilled manpower to meet the demand. So far, 58,047 skilled, 8,560 semi-skilled, 15,158 professionals (doctors, engineers, diploma holders) and 73,691 unskilled labourers had been exported.

He stressed the need for training more skilled labour through the country's technical and vocational centres to meet the demand. He said that steps had been taken to double the number of students in such centres by next year.

In reply to another question, the Adviser said that the government would launch a campaign through mass media to educate the people about do's and don'ts in respect to manpower export.

CSO: 4220/7435

BANGLADESH

PREPARATIONS MADE FOR REPATRIATION OF PAKISTANIS

Dacca THE BANGLADESH TIMES in English 15 May 82 p 3

[Text]

Repatriation of seven thousand more Pakistanis stranded in Bangladesh is expected to begin towards the end of this month, diplomatic sources said on Thursday, reports ENA.

The sources said preparations for air-lifting them is at the final stage. In this regard the governments of Bangladesh and Pakistan are in close touch with each other.

The sources said Saudi Arabia is providing necessary fund for air-lifting these Pakistani nationals. The Saudi Government is also making available an aircraft for the purpose.

Necessary steps are being taken to set up transit camps at Dacca for temporary housing of the Pakistanis to be air-lifted to Pakistan.

The compilation of the names of the seven thousand Pakistanis for repatriation is also in the final stage.

Meanwhile, arrangements are being made to bring to Dacca from Chittagong, Khulna, Rangpur, Parbatipur and other places persons enlisted for repatriation.

The repatriation will be carried out under supervision of United Nations High Commission for Refugees. It is expected to be completed in about a

fortnight "if everything goes well", the sources said.

The sources said Islamabad had initially accepted these seven thousand of its nationals and further agreed to consider the cases of about the three lakh other Pakistanis stranded in Bangladesh.

During the first phase of repatriation ending April, 1974, Pakistan accepted over one lakh 20 thousand for her nationals. In the second phase Pakistan authorities agreed to accept another 25 thousand of her nationals but took about 9,500 only. Since then, two governments of Bangladesh and Pakistan are in negotiation to solve the issue of repatriation.

The issue of repatriation of Pakistanis gained new momentum when Pakistan Foreign Secretary Rezz Piracha came on a short visit to Dacca in October, 1980. The issue came up for discussion and Pakistan agreed to examine the possibilities of repatriation of her remaining nationals.

Recently, some influential members of Majlis-e-Shura (parliament) of Pakistan suggested to their government to accept all the Pakistanis stranded in Bangladesh.

CSO: 4220/74 35

PROJECT IMPLEMENTATION BUREAU REPORTS LITTLE PROGRESS

Dacca HOLIDAY in English 16 May 82 pp 1, 8

[Text]

In a review of ongoing projects, the government has decided to emphasize the completion of projects where 75 per cent physical progress has been achieved.

This would affect almost 50 percent of the ongoing projects. This was done to overcome the unnecessary costs involved in the projects which are lying incomplete for years.

An assessment by the Project Implementation Bureau says, out of 1711 projects approved for completion since 1975 only 398 projects were completed.

In addition, 463 projects which were completed during 1979-81 cost the government 56% more than the estimated cost and took 35% more than the estimated time of completion.

According to primary estimate, 4.27 years on an average, were fixed for the completion of these projects. But in reality time spent was 5.78 years on an average.

Moreover, 172n projects included in the ADP for 1981-82 could not be approved till last month because of overspending in other projects.

Hundreds of development projects could not be implemented because of mismanagement, failure to ascertain priorities, and continuous interference by the concerned ministries.

In many cases, the cost of the projects was inflated by the concerned ministries taking advantage of government decisions. Just by reformulating the development projects, the concerned ministries escaped the approval of the Planning Commission or the National Economic Council.

Though the NEC decided to curtail the number of projects in the ADP, the number went on increasing, totalling 1550 for 1980-81 and 1726 for 1981-82.

This has resulted in ineffective spending and planning. The PIB report admits, in cases the targeted cost and time increased by

300-400 percent for which an additional amount of 235 crore taka was spent for deficit financing in 1980-81.

POOR PICTURE

The comparative analysis of year-wise implementation of projects since 1975 gives a very poor picture. In

1977-78 the maximum was achieved in completion of projects. It was 69% of the total progress. Till 1980-81 on an average 64% progress was achieved.

There are major irregularities also in the reports compiled by the concerned ministries about the completion of projects.

For example, for the years 1979-81, the ministries declared 519 projects. But the PIB inspection team found only 463 projects. These projects cost 35% more than the estimated cost.

PIB which has been assigned the responsibility of monitoring also after martial law was proclaimed is working on the fixation of priority of projects at present.

An earlier report by the PIB says that over the years though the average rate of spending for these projects stands at 94% of the estimated cost, physical progress stands at 64%.

This was because of "violation of the planning

and implementation discipline, inadequate allocation of funds, priority spending in non-productive sector, and disparity and weakness in management."

The violation of NEC decisions over the years identified by the PIB includes unauthorized expenditure, non-completion of projects targeted for completion, non-implementation of projects on priority basis, flouting ban on purchase of vehicles, etc.

This situation has prompted the present administration to review the ongoing projects. Under the new arrangements, 30 per cent of the projects would be declared abandoned, 20 percent of the projects would be provided only surviving finance.

Only projects where more than 3 crore taka have already been spent would be required to be completed by the end of the current fiscal year.

CSO: 4220/7439

PAPER REPORTS DOMESTIC CREDIT SITUATION

Dacca THE NEW NATION in English 17 May 82 pp 1, 8

[Text]

Total "domestic credit expanded by Tk 5.05 billion or by 9.2 percent during the first seven months of the current fiscal year.

Compared with the expansion of Tk 7.7 billion or 19.4 percent in the corresponding period of 1980-81.

Net credit to government increased by not more than Tk 89 million during this period. The expansion in credit to both public and private sectors was also lower than that in the corresponding period of 1980-81.

Gross credit to the public sector expanded by Tk 2.29 billion or 12.6 percent in the first seven months of the year upto February 5, 1981 as against the increase of Tk 2.36 billion or 17.0 percent in the same period of 1980-81. Credit to private sector increased by not more than Tk 2.67 billion or 12.3 percent in the corresponding period as against expansion of Tk 3.17 billion or 19.8 percent during 1980-81.

While the Government took measures to control the credit expansion it, however, gave priority to the agriculture sector for liberal credit. Disbursement to agriculture sector during 1980-82 is estimated at Tk 4.8 billion as against the actual disbursement of Tk 4.40 billion in 1980-81. The recovery of agriculture credit during 1981-82 is estimated to be around Tk

3.78 billion as compared to Tk 2.61 billion in the preceding year.

In the meantime, total liquidity increased by only Tk 1.18 billion or by 2.7 percent during the first seven months of the current fiscal year compared with the marked expansion of Tk 3.01 billion or by 14.6 percent during July 1, 1980 and February 6, 1981.

Apart from the markedly reduced rate of expansion in liquidity and credit there was indication of shift from more liquid monetary assets to less liquid monetary assets induced by the upward revision of interest rate in October 1980.

The breakdown of deposits by various categories through end-September 1981 reveals that the share of current deposits and call and other deposits in total deposits markedly declined from 21.3 percent and 27.0 percent in September, 1980 to 18.7 percent and 23.4 percent respectively in September, 1981.

The share of fixed deposits for three years and above in total deposits rose from 16.5 percent in September, 1980 to 18.3 percent in September, 1981 indicating that the mobilisation of deposits with longer maturity has been helped by the restructuring of interest rates.

COST OF LIVING IN DACCA UP BY 85 PERCENT

Dacca THE NEW NATION in English 22 May 82 p 1

[Text]

The cost of living for middle-class in Dacca city increased by over 85 per cent since July 1973 without corresponding increase in the income of most city dwellers.

According to official statistics, the high living index was attributed by fuel and lighting 152 per cent, housing 110 per cent, miscellaneous items 100 per cent, clothing 65 per cent and food 64 per cent.

The Dacca city index is officially recognized as the barometer for the whole country.

The increase however in prices of primary commodities and manufactured goods was to the great disadvantage of the vast majority who were engaged in agriculture sector.

The rice price over the years has in fact declined. The average rice price recorded Tk 230 per maund in 1974-75 went down to

Tk 166 per maund in January this year. The Jute price averaged Tk 88 per maund in 1974 was shown at Tk 99 in 1980-81 and around Tk 112 in 1981-82.

The price of potato, another cash crop, declined this year to Tk 28 at the growers level while it held around Tk 35 per maund in 1974-75.

On the contrary, prices of consumer manufactured goods were soaring every year. Fertiliser price increased by about 164 per cent over the 1975 level. Kerosene and diesel price soared nearly 200 per cent during the period.

Country made cloth price has been increased to an estimated 100 per cent since the industry was taken over by the government. The latest increase in cloth price was about 10 per cent in the first week of this month.

Last year gas rate was raised by 20 per cent, railway fare and freight upto 75 per cent, fertiliser 20 per cent, cement over 10 per cent and petroleum products 20 per cent.

Similar price hike was effected in case of other essential manufactured goods like washing soap, sugar, writing paper, etc.

Apprehension is running high in the market that the national budget next month will give rise to prices of almost all the manufactured items.

The government has been pursuing a flexible pricing policy in case of manufactured goods allowing the public sector enterprises to raise prices. It is said this was done to adjust with the rising cost of production and to improve their financial viability.

CSO: 4220/7444

BANGLADESH

OFFICIAL ADDRESSES BUSINESSMEN ON IMPORT POLICY

Dacca THE BANGLADESH OBSERVER in English 1 Jun 82 pp 1, 8

[Text] The Import Policy will henceforth be used more purposefully as an effective instrument for facilitating increased domestic production, strengthening the local industrial base and stimulating greater volume of exports. While tariff protection to the domestic industrial units will form the essential core of the policy adequate licencing facilities under the import programming will be ensured to the industrial sector for fuller utilisation of existing capacities in different units and also for needed balancing modernisation and replasement (BMR) purposes in those units.

Mr Shaful Azam Adviser in charge of the Ministry o· commerce and Industries, stated that at the first meeting of the Consultative Committee for the Ministry on Monday in Dacca.

The Adviser said that the Government instead of according more new sanctions to industrial units would give stress on full capacity utilisation of the already sanctioned units. He noted that more than 30 per cent of the industrial units sanctioned during the last four to five years could not get off the ground.

The representatives from various Chambers of Commerce and industry and trade associations took part in the deliberations at the meeting of the Consultative Committee. They placed forward various suggestions and recommendations before it. The senior-most officials of the Ministry of Commerce and Industry and other related bodies attended the meeting.

The representatives from the private sector pleaded for further rationalisation of the tariff policy removeal of fiscal anomalies lowering of existing "inequitious" power tariff and other utility rates including gas charges, lowering of customs duties on certain items, waiving of compulsory utilisation of import entitlements, lowering of present "high" charges and margin in opening of Letters of Credits (LCs) simplification in import procedures, and liberal financing facilities from the banks and financial institutions.

The Adviser told the meeting that many of the views expressed by the representatives from the private sector would be accommodated in future policies in keeping consistency with the objectives and resources of the Government. He

felt that the Government "will not be able to give the private sector all relief in one-go." The discussions between the Government and the private sector will be a continuous process and problems can be sorted out and solved through such a process of discussions he observed.

Mr Shafiul Azam stressed the need for making vigorous efforts on a sustained basis to boost the country's export earnings corresponding to the rise in import bill. He maintained that the country with an annual import bill of Taka 5000 crore and an export target of Taka 1500 crore is faced with a severely adverse balance of payments situation. "This is a phenomenon which has enveloped all our development activities and we must try to steadily change the situation through boosting our exports" he stressed.

The Adviser pointed out that the theme "Production or Perish" was used more as a slogan in the past. The country's potentialities in the export sector have not been exploited properly, he added. He mentioned the export performance in such sectors like leather, tea, readymade garments, frozen fish, silk hosiery products, etc. in this connection.

He observed that the private sector would have to play a dynamic and expanded role for industrialisation and export promotion in the country. He said that the Government would expend all help to the genuine private investors.

The Adviser stated that the Government would step up its efforts for simplification of import procedures and further liberalisation of the import trade.

He announced that one branch of commercial banks would be designated soon for processing imports under the Wage Earners Scheme (WES) in each zone of the country. He was highly appreciative of the role of the WES and pointed out that about 25 per cent of the country's import trade is financed under the scheme. "The WES as a whole is under review for redirecting the flow of resources under it to industrial uses rather than commercial imports" he added.

He urged the private investors to make more effective use of the WES Pay as You Earn Scheme and commercial suppliers' credits for BMR projects and fuller utilisation of existing capacities of industrial units in the private sector.

CSO: 4220/7451

BANGLADESH

REPORT ON REVENUE EARNING FOR CURRENT FISCAL YEAR

Dacca THE BANGLADESH OBSERVER in English 1 Jun 82 p 1

[Text] Revenue earning by way of direct and indirect taxes which include duty, income and corporate tax, amounted to more than Taka 1450 crore during the first ten months of the current fiscal year (1981-82) till April, '82. The target of receipts from the taxes projected in the annual budget of 1981-82 was Taka 2078 crore.

The total direct and indirect tax revenue earning was estimated at Taka 2184.19 crore in the annual budget which also includes estate tax, non-judicial stamp tax and others besides those already mentioned.

Customs duty earning during the period was more than Taka 640 crore against the target of Taka 950 crore to be achieved by the turn of the current fiscal year. Receipts from excise duty during the period was more than Taka 360 crore. The annual target on the other hand is Taka 463 crore from this sector.

The target of collection from sales tax is Taka 405 crore while the sum collected was more than Taka 270 crore during the period under review. The income and corporate tax earnings was nearly Taka 180 crore. The annual target for income and corporate tax fixed at Taka 260 crore is most likely to be realised in view of the increased number of assessee which stands at nearly 2.82 lakh at present.

Customs duty which is the major source of revenue receipt was hard hit by slacks in import trade during the first half of the current financial year due to non-availability of adequate funds. A considerable amount of the customs duty collected during the period accounted for the carried-over, imported merchandise of a whole shipping period ending on June 1981.

CSO: 4220/7451

BANGLADESH

SOVIET UNION PROVES GOOD MARKET FOR JUTE

Dacca THE NEW NATION in English 9 May 82 p 3

The USSR has shown keen interest in purchasing more high quality raw jute & jute goods from Bangladesh during the current fiscal year, according to a PID bourse issued on Thursday. The business of the USSR was shown when their trade representatives had a discussion with the Secretary, Jute Division, Ministry of Industries & Commerce, in Dacca on Wednesday.

Under the current Trade Protocol signed between Bangladesh and USSR, 40 thousand tons of raw jute will be exported Russia. She has so far contracted to buy 23 thousand tons of raw jute out of which 14 thousand tons have already been shipped. The balance of 8 thousand tons will be shipped within this month.

The USSR has so far contracted to buy 3.35 million metres (about 7840 bales) of jute cloth out of a provision of 22 million metres (about 54,000 bales). She has also bought two million pieces (about 3,000 bales) of heavy bags out of a provision of 19 million pieces (about 48,000 bales).

The trade representatives further said that the USSR has already made a contract to buy 25 thousand square metres (3,000 pieces) of jute carpets from Bangladesh last year.

It may be mentioned here that the USSR has doubled her purchase of raw jute from Bangladesh during the last three years.

CSO: 4220/7452

BANGLADESH

USSR TO BUY JUTE GOODS WORTH TK 12.72 CRORE

Dacca THE NEW NATION in English 3 Jun 82 p 1

[Text] USSR will buy jute goods worth Tk 12.72 crore from Bangladesh Jute Mills Corporation, (BJMC) says a press release.

An agreement to this effect was signed in Dacca on Wednesday between BJMC and Exportijon of the USSR.

The Director (Marketing) of BJMC Mr Mohammed Rafful Karim and Mr. Oleg V. Grabak signed the accord on behalf of their respective organisations.

CSO: 4220/7452

BANGLADESH

TRIAL OF FORMER SHIPPING MINISTER, AIDE OPENS

Dacca THE BANGLADESH OBSERVER in English 10 Jun 82 pp 1, 3

[Text]

The "Sovender" (Shad) Martini Law Tribunal No. 1 headed by Senator M. Sharif Chowdhury on Wednesday began trial of Captain (Retd) Nurul Huq a former Minister for Posts, Shipping and IWT on charges of corruption and abuse of official position under Regulation 11 of MLR-1, 1962, reports BBC.

Mr. M. A. A. Ziauddin Ahmed National Representative of Bangladesh Shipping Corporation in London is a co-accused in the case.

The trial is being held in absentia as both the accused persons are absconding and have failed to appear for trial on one directive of the Tribunal.

The Chairman of the Tribunal read out the charges against the accused persons Mr. Sharif Chowdhury a Senior Advocate who has been associated by the state as Defence Counsel was present when the charges were read out.

According to the prosecution case during his tenure of office as the Minister-in-charge of Posts Shipping and IWT Captain (Retd) Nurul Huq in collusion with the co-accused Mr. Ziauddin Ahmed obtained through corrupt or illegal means or through abuse of official position pecuniary advantages to the tune of 1.04 million US dollars either for him self or for others and thus caused prejudice to the economic or financial interest of the state.

Accused Captain (Retd) Nurul Huq had agreed to a proposal of the Bangladesh Shipping Corporation in 1981 for the carriage of one lakh 30 thousand tons of EEC wheat by the Shipping Corporation. The shipping Corporation was to earn a good profit by carrying this wheat as EEC was to pay the corporation carriage cost at the rate of 45-55 US dollars per ton.

But subsequently during his visit to London in July 1981, accused Captain (Retd) Huq in collusion with the co-accused changed the decision and substituted the contract for the carriage of the EEC wheat to a private party at the rate of 30 US dollars per ton. The decision was changed in spite of vehement objection by the Managing Director of the BSC through negotiations by the co-accused at the instance of Captain (Retd) Huq to the detriment of national economic interest. The private party carried the wheat from France to Chittagong and Chaitra at an average rate of 31 US dollars per ton making a profit of 1.04 million US dollars which could have been earned by the Bangladesh Shipping Corporation had the earlier decision not been changed.

The prosecution case is being conducted by Special Public Prosecutor Mr. Abdur Razzaque Khan and Assistant Attorney-General Gazi Abdul Mannan.

The hearing of the case will begin at 10 a.m. on June 11.

CSO: 471 /7460

BANGLADESH

EDUCATION POLICY SEMINAR OPENS IN DACCA

Ministry Official's Speech

Dacca THE BANGLADESH OBSERVER in English 10 Jun 82 pp 1, 8

[Text] A two-day seminar on "World Bank's policy approaches to education in the context of Bangladesh" began in Dacca on Wednesday at the Civil Officers' Training Academy (COTA).

Inaugurating the seminar Mr A.M.A. Muhith Adviser in-Charge of the Ministry of Finance and Planning stated that the Government was keen on upgrading the country's human resources through an integrated system of education and employment strategy. He felt that time had come to identify specific structural weaknesses of the educational system that we should attempt to remedy particularly because the weaknesses were too many.

The Adviser identified the high rate of wastage and repetition at all levels of education, under-utilisation of institutional capacity, large failure in public examinations, indiscipline and lack of policy directions, enormous imbalance between urban and rural sectors in respect of coverage quality of facilities and expenditures as the major weaknesses of the country's educational system. He observed that the lack of relevance of the country's education and training system to the demands of the economy is undoubtedly a serious constraint and the deficiencies in the existing system have left the country ill-prepared for the tasks demanded of it by the economy and the society.

The seminar is being jointly sponsored by Planning Commission and Ministry of Education in collaboration with the World Bank. It is aimed at providing an opportunity to all concerned with the country's education sector for analysing the World Bank's position on various aspects of education in the context of Bangladesh. In five working sessions in which 11 papers are to be presented and discussed at length the participants are expected to come forward with some concrete and practical suggestions and recommendations to the Government and the World Bank for implementation in the years ahead.

It is to be noted here that the World Bank is financing the Universal Primary Education Programme in 40 thanas of the country covering only eight per cent of the total population. The bank has come forward with its

education sector policy paper built on a variety of available statistical and analytical materials drawing liberally on the experience of national and international agencies. The paper has tried to examine the central elements of the problems of education and discussed relevant sets of consideration common to all developing countries.

The World Bank policy paper on education emphasises the need for national education policy, interdisciplinary approach to educational problems, relevance of education to work, improving educational administration and financial administration and financial management, analytical and action-oriented research and experimentation in education to improve system efficiency mobilisation of resources internally through cost sharing using economies of scale in spending and the need of coordinating the activities of multiple agencies of both national and international having overlapping functions and duplications.

The inaugural session of the seminar on "World Bank's policy approaches to education in the context of Bangladesh" was presided over by Mr Mafizur Rahman, Member Planning Commission. The chief of the World Bank Mission in Dacca also addressed the function.

In his inaugural speech the Adviser-in-Charge of the Ministry of Finance and Planning noted that the major objective of economic development in Bangladesh has to be an expansion of the rural sector. "More of productions as well as more of employment opportunities in this sector provide the key to the war on poverty in our country" he stated. He said that planning for development of human resources must provide for integration of basic education with an appropriate vocational and educational training especially in the rural areas.

Mr Muhith felt that the country needs on one hand to generate employment and to upgrade the labour that will be employed on the other. "In these efforts there will be a continuing need for financial and technical assistance" he added. We pointed out that the Government has adopted universal primary education as the most important programme in the educational strategy. The next important element of policy is to relate the expansion of technical and higher education to the manpower needs of the employment strategy.

The Adviser called upon the participants in the seminar to consider whether Bangladesh needed a powerful and permanent national council for education in formulating a comprehensive national policy and for offering overall direction and guidance for meeting the changing education needs for the country's developing economy.

Two working sessions--one on "Issues and constraints in the introduction of appropriate basic education in Bangladesh" and the other on "Improving internal efficiency of secondary education and optimisation of its benefit" were held on the day at the COTA auditorium. The first session was presided over by Kazi Fazlur Rahman, Secretary External Resources Division in which the key note papers were presented by Mr A.K.M. Hedayetul Huq, Additional

Secretary Ministry of Education and Religious Affairs, Mr M. F. Khan of University Grants Commission and Mr Azharul Huq Khan of Planning Commission. The discussants at the session included De Mizanur Rahman Shelly of Bangladesh Literary Association, Mr A Razzak, Director General Primary and Mass Education, Dr Ellen Sattar, UNFPA Adviser and Mrs Shumima Islam of Foundation for Research on Educational Planning and Development.

The second session on improving internal efficiency of secondary education and optimisation of its benefit was presided over by Prof Shamsul Huq Chairman National Foundation for Human Resources Development. The key-note papers at the session were presented by Dr Shamsul Huq of Institute of Education & Research, Dacca University, and Dr Mazharul Huq, Director of the same institute.

Low Number of Technical Personnel

Dacca THE BANGLADESH OBSERVER in English 10 Jun 82 p 1

[Text] The total number of science graduates, intermediate and secondary technicians and skilled workers in the country is estimated at 1.50 lakh. There are only 30,000 post-graduate scientists, engineers, agriculturists, medical graduates and other professionals in the country.

Disclosing this at the inaugural session of the seminar on "World Bank's policy approaches to education in the context of Bangladesh" Mr Mafizur Rahman, Member Planning Commission, noted in his presidential speech that the supply of manpower for development showed marked deficiency in quality and imbalance in categories which affected the whole manpower pyramid in the country. According to one estimate there should be roughly 15 lakh skilled workers and the ratio of technicians to engineers should be 5:1 in the country he stated.

He observed that the number of scientists, technologists and skilled workers per ten thousand persons in Bangladesh is only four as against 20 in some of the neighbouring countries.

Mr Mafizur Rahman said that hardly two per cent of Gross Domestic Product is spent on education in Bangladesh as against over three per cent in some of the other countries in the region. While per student recurring expenditure on primary education is about five U.S. dollars in the country it is 230 U.S. dollars in case of university education. He said that while over 70 per cent of the total investment in education in Bangladesh goes to the urban areas more than 25 per cent of recurrent expenditure on education goes to the rural areas. Fifteen per cent of development expenditure goes to higher education serving less than one per cent of the total enrollment.

CSO: 4220/7460

BANKS REPORTED HAVING DIFFICULTY RECOVERING LOANS

Dacca HOLIDAY in English 9 May 82 pp 1, 8

[Text]

Despite governments repeated instructions to the nationalised commercial banks and other financial institutions to recover outstanding loans sanctioned to the individuals of private sector and to prepare and submit up-to-date statement of accounts clarifying the reasons of non-recovery, most of the nationalised commercial banks have failed to recover their losses.

Outstanding loans sanctioned to the private individuals from six nationalised commercial banks stand at over 4800 crore taka while over 400 crore taka among them has already been declared bad-debt.

The nationalised commercial banks issued circulars to all their subscribers to adjust their credits by April, 30, but the responses from the customers were not satisfactory, it is gathered.

Many of the subscribers had accordingly adjusted previous loans, but, it is learnt that, not even 25 per cent of the outstanding loans have so far been recovered.

On the other hand, many of the borrowers repaid

their previous loans but at the same time applied for a fresh loan which in most cases was of a bigger amount than what they paid to the bank.

BANKRUPTCY

It is gathered that, so far, in most of the financial institutions, the amount sanctioned as advance to the private individuals have gone higher than their total deposit which has pushed the respective financial institutions on the verge of collapse or bankruptcy.

In Sonali Bank, total deposit on March 25, this year, was 945 crore 58 lakh and 22 thousand taka while during the same period advance excluding government's food procurement program and investment against rural credit stood at 1134 crore 90 lakh and 39 thousand taka. At the same time advance against government's food procurement program was about 45 crore 24 lakh and 49 thousand taka while the investment on various other accounts was 89 crore 65 lakh and 75 thousand taka.

It is learnt that total advance sanctioned on different heads on the day

was over 323 crore 22 lakh and 44 thousand taka than the total deposit of central account of Sonali Bank on the same day.

Similarly, the central account of Janata Bank on February 27 this year showed a total deposit of 705 crore 89 lakh and 85 thousand taka while on the same day the total advance stood at 818 crore 51 lakh and 61 thousand taka thus indicating a difference of 113 crore 11 lakh and 76 thousand taka.

On the same day cash credit from Janata Bank stood at 418 crore 73 lakh and 41 thousand taka while advance on foreign bill purchase crossed 70 crore taka. On the same day cash payment against document from the bank stood at 41 crore 8 lakh and 78 thousand taka and loan against trusts receipt were worth 17 crore 32 lakh and 30 thousand taka.

The amount outstanding in only five branches of Agrani Bank in Chittagong have reportedly reached four crore taka. Most of those loans were sanctioned against merchandise import and payment against document in which the bank officials at the head office were indirectly connected.

It is alleged that over 60 per cent of those loans were sanctioned in an irregular manner for which they are now waiting to be declared as bad debt.

TEST CHECK

According to a statement, the local branch of Sonali Bank at Dacca till February 28 this year have sanctioned loans worth 7 crore 86 lakh 8 thousand 203 taka and 68 paisha against 45 accounts of 22 parties most of which have now become unrecoverable.

In course of conducting test check on the loan and advances of the Chittagong branch of Sonali Bank on October 26, 1981, a series of irregularities in sanctioning loans had been detected.

It was detected that the cash credit account of a certain limited company at Chittagong had not been properly handled and conducted. The turn-over of the account was very poor and the account was allowed to become over-drawn. Despite of the cash credit account having been conducted irregularly, the Deputy General Manager (DGM) of the principal office of Sonali Bank at Chittagong had permitted the Chittagong branch to despatch a letter of credit over 87 lakh 89 thousand 220 taka in favor of the said party. Furthermore, he had permitted the branch to retain a margin of 5 percent on the above letter of credit which was much beyond his discretionary powers.

The general manager of Sonali Bank, at this stage, issued a letter to the DGM asking him to submit his explanation of that irregular operation in which the total liability of the party

sanctioned in 1979 a loan of 47.95 lakh taka on rural credit to one fishing company though the project was located at Khulna. Last year, the account of the party indicated an outstanding of 26 lakh 57 thousand and 930 taka. But the same party in 1981 was allowed to draw a fresh loan of 46.46 lakh taka from which 30,50,922 taka have again remained outstanding.

It is alleged that the Chittagong branch of Sonali Bank refused to re-sanction the loan but the party, in collaboration with the higher officials at head office at Dacca managed to make the loan approved.

The process of bungling with bank accounts, is learnt to be very interesting. During the initial stage the DGM of the head office allow posting of their favorites to particular branches as managers and then ask their friends to open accounts with the branches. Following the instructions of the DGM the branch managers then sanction loans to those account holders even beyond their limits of sanction.

After a particular period the managers issue letters to those parties to adjust the outstanding loans but the loanees hardly respond. In that stage back managers declare the loans as bad-debt and the entire money is at times shared by the manager, the DGM and, of course, the party, it is alleged.

SAME PARTY

In many cases, the same party opens account with a single branch on various names and manage to take loans from each of

had already increased at 1,90,52,935 taka.

Similarly the Sonali Bank of Chittagong branch the accounts. Sometimes the party adjusts the loan of a particular account borrowing money against other accounts and finally misappropriates the loans sanctioned against the biggest one.

On June 30, 1981 a loan of 54.35 lakh taka was sanctioned to a reputed industrialist of the country from local branch of Agrani Bank against one of his motor workshop. The loan was not repaid in due time. The same person earlier took a loan of 10.97 lakh taka from the same branch which was declared as bad-debt. Again the same account holder was allowed to take another loan of 43.92 lakh taka from the same branch.

On September 14, 1979 the same party managed to take a loan of 25.77 lakh taka from the same branch. On June 30, 1980 he took a loan of 95.82 lakh taka against his tobacco complex also from the same branch on a separate account. On the same day he was allowed a loan of 8.69 lakh taka against another account. On July 5, 1975 he was sanctioned a loan of 6.13 lakh taka for another of his enterprises from the same branch.

It is learnt that most of those loans have remained outstanding and waiting to be declared as bad-debt. But the person through his influence in the upper levels has anyhow, managed to go scot-free so far.

STATEMENT

Following the instruction of the Chief Martial Law Administrator, the nationalised commercial

banks along with the other financial institutions have already submitted the up-to-date statement of accounts of their respective agencies and have explained the causes of the non-recovery of the outstanding loans.

It is alleged that in most cases the financial institutions have submitted deceptive statements in which they have avoided the real facts. In case of big outstanding cases it has been mentioned that they have already issued circulars to the parties and the parties have also agreed to repay the loans within a minimum possible time.

Despite the issuance of irregular loans by the branch managers the higher authorities of the head offices are allegedly giving them full protections since they are also involved with share of those operations, according to allegations.

Meanwhile, circulation of money in cash in the market as on April 23, 1982 has reached 975.78 crore taka while total notes issued have reached at 973.23 crore taka. Advances sanctioned from the banks have reached at 4173 crore taka while deposits in the bank have remained stagnant at 1300 crore taka. The rate of this money circulation is over 75 crore taka compared to the previous month. This

increasing trend is helping create an inflationary situation in the overall economy of the country.

KRISHI BANK

In this situation the loans sanctioned from the industrial and agricultural banks have again added to the inflationary conditions in the money market. It is learnt that outstanding loans from Bangladesh Krishi Bank have so far reached 400 crore taka while 350 crore taka have remained outstanding in two industrial banks namely Bangladesh Shilpa Bank and Shilpa Rin Sangstha. Many of those loans were sanctioned to the fake agricultural co-operative societies and socalled industrial entrepreneurs who instead of investing them in the proposed projects, had spent them on some unproductive ventures.

The entire loan situation of the financial institutions calls for a thorough investigation into the major accounts and this should be conducted by a neutral committee comprising distinguished economists and government officials outside the banking sector. Only this may help detect a large number of irregular operations and find out the way and solution for recovering the loans. Leaving the job to the banking sector alone may not provide the desired results, observers feel.

NUMBER OF LANDLESS PEASANTS CONTINUES TO GROW

Dacca HOLIDAY in English 30 May 82 pp 1, 8

[Text] Little progress has so far been made in mobilizing the vast multitude of landless peasants into an organized productive force. Governmental initiatives for organizing the landless are mostly in the official files.

The IRDP which has been making efforts to form landless peasants cooperatives throughout the country since 1974 succeeded in forming only a little over two thousand such cooperatives with a membership of about fifty-five thousand landless people till 1981. Other official measures in this regard are almost nonexistent.

There had been no land reform steps to safeguard the interests of the landless peasants and remove the causes of landlessness.

Projects taken up under the rural banking program and by some private voluntary organizations working in the rural areas for the benefit of the landless peasants have achieved some limited success in certain areas.

Some cooperatives, particularly in the districts of Mymensingh, Bogra and Noakhali, have to an extent also succeeded in improving the conditions of landless cooperative members in those areas.

But for the lack of national level planning and serious handling that the problem deserves, the overwhelming majority of the disadvantaged rural populace have remained economically stunted and socially weak and mute.

According to both official and private investigation the progress of the cooperative movement in the country through various agencies particularly in the rural areas have gone to the benefit of the big landholders or the richer section of the rural elite.

Even the IRDP which took up the task of organizing the landless peasants is yet to set up a separate unit under it for the purpose.

Experts also have doubts about the ultimate success of the organization in this regard, because the Comilla approach of cooperatives on which the IRDP

activities are based has proved to be not effective against all evils of rural poverty.

The participation of the landless in the thana cooperatives under the aegis of the IRDP is learnt to be too meager. It is even below eight percent in certain areas.

Reluctance

Whatever landless cooperatives are formed their progress are also halted by non-patronization of the loan-giving agencies, it is gathered.

The banks and other financing agencies are reluctant to favor the landless cooperatives because they are not in a position to provide the necessary securities for obtaining credit.

The experience of some voluntary agencies, however, is that the landless peasant cooperatives as far as loan repayment is concerned perform excellently.

During the last regime the progress in forming landless peasants' cooperatives in the villages was also hampered because of the government's plan to patronize its youth complex program.

The available khas or abandoned land or derelict tanks and the like on which the landless peasants' cooperative could be built were allotted to the youth complex members.

Experts feel that the problem of landlessness will grow further and the ranks of the landless will continue to swell if adequate legal and economic measures including appropriate land reforms are not implemented immediately.

Landlessness is an inheritance from the past and if historical and socio-economic factors which have been accentuating the problem are not removed its severity will be felt more and more.

The political problem which landlessness may pose in the future will be too great to grab through mere reforms, observers opine.

According to statistics the problem of landlessness has aggravated further during the post-independence Bangladesh period. The percentage of landless households increased from 17.51 percent in 1961 to 37.6 percent in 1973-74.

Bleak Trend

A survey conducted by IRDP during 1973-74 in 14 villages found that 38 percent of the total households had no land other than the homesteads showing an increasing trend toward landlessness in the rural areas.

The land occupancy survey of 1977 which was carried out on a much bigger scale covering 400 villages in an equal number of police stations in the country also

revealed that 32.8 percent of all rural households fell in the category of landless. They have no land excepting their homesteads.

From the survey it also emerged that the landless comprise 27.10 percent of the total population of the country. There are also millions of people in rural Bangladesh who own not only no lands but also no homesteads.

With poverty being the constant companion and about 82 percent of the rural masses living below the poverty line in a state of hunger, malnutrition, illiteracy and debt, distress sale of assets including land characterize village economic life-style. There being no socio-economic or political protection from the state and the rural power structure remaining as it is, landlessness is the ultimate result.

CSO: 4220/7450

BANGLADESH

ERSHAD REPEALS 1972 ORDER ON ABANDONED CHILDREN

Dacca THE BANGLADESH OBSERVER in English 3 Jun 82 p 1

[Text] The Chief Martial Law Administrator has repealed the Bangladesh Abandoned Children (Special Provision) Order, 1972 (P.O. No. 124 of 1972) by Ordinance No. V of 1982, says a PID handout on Wednesday.

The handout says:

"The abandoned and unclaimed children of Bangladesh many a time find shelter in the so-called children's homes run in Bangladesh in the name of voluntary organisations. Some children even with their parents are lured in these 'homes' and due to poverty are made to part with their parents and taken abroad under various guises including adoption.

"The conscious Press in the country has from time to time revealed startling stories as to how these children are taken out of the country and used for different purposes abroad. These Bangladeshi children are also converted from Islam into other religions. In the recent Press reports, it has been revealed that the unfortunate children of Bangladesh who have been whisked away from the country have been crippled and made to beggar by organised gangs of criminals. These children after some years have even reportedly been found in foreign brothels.

"All these are being done and the innocent children are victimised under the cover of a Presidential Order promulgated in 1972 providing for adoption of Bangladeshi children by the foreign families. Many children have been taken away from the country with the pretence of being adopted by families abroad under the cover of this Order, but in reality they have been criminally used for immoral purposes and gains. Government is investigating into this heinous affair to bring the culprits to book and give them exemplary punishment.

"In view of the above considerations, the Chief Martial Law Administrator has repealed the Bangladesh Abandoned Children (Special Provision) Order 1972 (P.O. No. 124 of 1972) by Ordinance No. V of 1982 with immediate effect. A fresh order is being formulated with foolproof system on adoption of children."

CSO: 4220/7453

BANGLADESH

CLARIFICATION OF FLIGHT OF CESSNA FROM DACCA AIRPORT

Dacca THE BANGLADESH OBSERVER in English 27 May 82 pp 1, 12

[Text] Attention of the Government of Bangladesh has been drawn to reports in the West Bengal Press about a CESSNA 402 aircraft which had been flown to Calcutta from the Dacca International Airport without the clearance of the Bangladesh authorities. It is, therefore, necessary to give a factual account of the circumstances surrounding this case, says a PID handout in Dacca on Wednesday.

The Bangladesh Space Research and Remote Sensing Organisation (SPARRSO) had taken up a programme for infra-red colour aerial photography of the whole country. This project was being aided by a grant from the UNDP. The UNDP, through the FAO, had engaged M/s Capital Air Surveys Limited, an aerial Survey Company of Canada to carry out the project. M/s Capital Air Surveys Limited sent an aircraft, CESSNA 402 REGISTRATION No. C--GTYW along with the pilot and the camera operator/navigator for this purpose. This firm was also given a contract for survey on behalf of the Bangladesh Forest Department.

Infra-red aerial survey commenced from the end of January 1982. However, before the work could be completed M/s Capital Air Surveys Limited was liquidated and their assets in Bangladesh, including the aircraft, reportedly became the property of another Canadian firm viz M/s CANDEV Financial Services Limited. The FAO had already paid Canadian \$443,100 to M/s Capital Air Surveys Limited for carrying out the survey, etc.

In view of the fact that the firm was liquidated before its contractual obligations were fulfilled, discussions were held between the FAO and M/s CANDEV. The Bangladesh Government was informed by the FAO that it had been decided that the aircraft, along with the equipment, would remain in Bangladesh until the next flying season that is the winter of 1982 when the photography could be completed. Representatives of M/s CANDEV arrived in Bangladesh on May 16, 1982 and later requested the FAO as well as the Government of Bangladesh to release the aircraft. While discussions were in progress the representatives of M/s CANDEV on the morning of Tuesday 25th of May, 1982 took off with the aircraft illegally and proceeded to Calcutta.

The contractual obligation to the Government of Bangladesh for carrying out of infra-red aerial photography had not been fulfilled. In addition, there

are Civil Aviation and Airport dues apart from fuel bills which the company is to pay. Moreover, the personnel of M/s CANDEV have violated the Bangladesh Import/Export and Immigration Laws.

The Government of Bangladesh is in touch with the Indian authorities on this matter. The detailed programme for serial photography had been communicated to the Indian authorities as early as on the 7th of January, 1982. The detailed flight plan of the aircraft along with the areas to be covered were clearly indicated to the Indian authorities well in advance. The Government of Bangladesh believes that the above factual report will clear any misgivings that may arise on this matter.

Alleged charges by the Representatives of M/s CANDEV that Bangladesh had asked them to carry out espionage activities over South Talpatty Island are baseless, totally fabricated and a mischievous attempt to rationalise their illegal action.

CSO: 4220/7447

BANGLADESH

BRIEFS

UN REPRESENTATIVE--LT General (Retd) Khwaija Wasiuddin has been appointed Permanent Representative of Bangladesh to the United Nations, it was officially announced in Dacca reports BSS. Born in 1920 Lt General (Retd) Khawaja Wasiuddin received early education in Government Muslim High School and St Gregory's High School, Dacc. . He passed Chief College Diploma Examination in 1935 from the Prince of Wales, Royal Indian Military College, Dehradun. He got himself admitted to Indian Military Academy in 1938 from where he was Commissioned to the British Indian Army in 1940. Lt General (Retd) Khawaja Wasiuddin was promoted to the rank of Lt Colonel in 1948 in Pakistan Army. He held various appointments till 1961 when he was promoted to the rank of Major General. In 1969 he was promoted to the rank of Lt General and appointed Commander of 2 corps of Pakistan Army. Lt General (Retd) Khawaja Wasiuddin has completed among others the Camberley Staff College Course in 1954 and Imperial Defence College Course in 1965. He was Ambassador of Bangladesh in Kuwait from May 14, 1974 to August 21, 1976 and in Paris from August 30, 1976 to October 31, 1979 with concurrent accreditation to Spain and Portugal. He is married and has three sons and one daughter. He is a keen Golfer. [Text] [Dacca THE BANGLADESH OBSERVER in English 16 May 82 p 1]

BAR COUNCIL RECONSTITUTED--Bangladesh Bar Council has been reconstituted in pursuance of the Clauses I (b) (ii) and I (b) (iii) of the Martial Law Order No 11. The nominated members of the Bar Council are: Mr Justice Abdul Wadud Chowdhury, Mr Justice Abdul Matin Chowdhury, Mr Sabita Ranjan, Pal advocate Supreme Court, Mr H. H. Khondakar, advocate Supreme Court, Mr Rafiqur Rahman, advocate Supreme Court, Mr Siddique Ahmed Chowdhury, advocate Supreme Court, Mr Daliluddin Ahmed Chowdhury, advocate Supreme Court, Dr Ahmed Hussain, advocate Supreme Court, Mr Md Nurullah, advocate Supreme Court and Mr Gowhar Ali Khan, advocate Supreme Court. A press release of Bangladesh Bar Council issued on Saturday in Dacca said that the Attorney-General for Bangladesh would remain the ex-officio member and ex-officio Chairman of the Bar Council. [Text] [Dacca THE BANGLADESH OBSERVER in English 9 May 82 p 12]

FORMER MINISTERS' ACCOUNTS--The Government has ordered the freezing of all bank accounts of former Ministers and officials facing trial under various charges and are now under detention and also those who are still in hiding. In another order the Government has made inoperative the bank accounts of all political parties and their front organisations. [Text] [Dacca THE BANGLADESH OBSERVER in English 22 May 82 p 1]

EDITOR SENTENCED--Jessore, May 27: Report has it that the Sumary Martial Law Court No 19 Jessore on Wednesday last convicted Mr Golam Mazed, Editor and publisher of Dainik Runner, a bengali daily, under section 17 of Martial Law regulation No 1 of 1982 for publication of an item criticising Martial Law authorities on March 26 edition and sentenced him to rigorous imprisonment for two years. In another case the same court convicted Sayeedur Rahman security cell constable of Jessore police 9 for exhortion of money from a businessman posing as one army security on March 31 and sentenced him to rigorous imprisonment for five years and to pay a fine of taka 5000 in default to undergo RI for one more year. [Text] [Dacca THE NEW NATION in English 30 May 82 p 2]

AMBASSADOR TO UNITED STATES--The Government of the People's Republic of Bangladesh has decided to appoint Mr Humayun Rasheed Choudhury, former Foreign Secretary, as Ambassador of Bangladesh, to the United States of America, according to a PID handout on Tuesday. Born on November 11, 1928 Mr Humayun Rasheed Choudhury graduated in Science from Aligarh Muslim University. He studied at the Fletcher School of Law and Diplomacy in Massachusetts, USA, and the London Institute of World Affairs. He was studying for the Bar at the Inner Temple, London when he joined the Pakistan Foreign Service in 1953. He served in various capacities in Rome, Baghdad, Paris, Lisbon, Jakarta, and New Delhi. He served as the Chief of Bangladesh Mission in New Delhi in 1971-72. In April 1972 he was appointed Bangladesh Ambassador to the Federal Republic of Germany and was concurrently accredited as Ambassador to Switzerland, Austria and the Holy See and as Permanent Representative of Bangladesh to IAEA & UNIDO. Before taking over as Foreign Secretary in June, 1981, he was Bangladesh Ambassador to Saudi Arabia from October 1976 with concurrent accreditation to Jordan and Sultanate of Oman. He is married with two children. [Text] [Dacca THE BANGLADESH OBSERVER in English 9 Jun 82 pp 1, 8]

AMBASSADOR TO FRG--The Government has decided to appoint Lt Gen (Retd) Mir Shawkat Ali BU PSC at present Bangladesh Ambassador to the Arab Republic of Egypt as Ambassador of Bangladesh to the Federal Republic of Germany it was officially announced in Dacca on Tuesday, reports BSS. [Text] [Dacca THE BANGLADESH OBSERVER in English 9 Jun 82 p 1]

CONDEMNATION OF ISRAEL--Bangladesh on Monday "unequivocally condemned" the naked Israeli aggression against Lebanon, reports BSS. A Foreign Office spokesman in a statement said, "Bangladesh has received with shock and indignation the news of the indiscriminate air attacks launched by Israel on civilian lives and causing widespread destruction of property followed closely by the unprovoked and large scale invasion of Lebanese territory by Israeli troops and tanks." The statement said, "Bangladesh unequivocally condemns these naked acts of aggression by the Zionist entity repeatedly violating Lebanon's sovereignty and territorial integrity. "They constitute flagrant defiance and total disregard of all norms of international law and civilised conduct. "Bangladesh demands urgent compliance with the Security Council's call for an immediate and simultaneous halt to all military activities within Lebanon and across the Lebanese-Israeli border and strongly condemns Israel's totally illegal and unwarranted aggression. [Text] [Dacca THE BANGLADESH OBSERVER in English 9 Jun 82 p 1]

POLITICAL PARTY OFFICES--Different political parties have been directed by the local Authorities to keep their respective offices locked up. All political activities were banned following promulgation of Martial Law. But leaders and workers of the prominent political organizations used to come down to their central offices and pass the evenings there, although the attendance was extremely thin. The political parties which kept their offices open include Awami League (H), Workers Party, Communist Party of Bangladesh, United People's Party, Janata Party, Muslim League, BNP, Democratic League, Jamat-e-Islami, Jatiya Samajtantrik Dal, Bangladesher Samajtantrik Dal etc. [Text] [Dacca THE NEW NATION in English 17 May 82 p 1]

IDA LOAN APPROVED--Bangladesh will receive 92 million dollars credit from International Development Association (IDA) for the expansion of Ashuganj Power Plant. The credit is for 50 years including a 10-year grace period. It carries no interest but bears an annual service charge of 0.5 per cent on the undisbursed balances of the credit and 0.75 per cent on the disbursed balances. Cofinancing of the 328.4 million dollar Ashuganj power plant includes 65 million dollars from the OPEC and Kuwait Funds, 30.6 million dollars from the Asian Development Bank and DM 115 million Deutschmark from the Federal Republic of Germany. With the IDA credit Bangladesh Power Development Board will undertake the expansion of the existing steam power plant at Ashuganj adding two steam gas-fired units of 150 MW each to provide additional base-load capacity. The expansion work will also include the installation of a 230 kilovolt double circuit transmission line between Ashuganj and Ghorasaj and construction of a 230/132 kilovolt substation. BSS adds: The units include turbo alternators, boilers and ancillary electrical and mechanical equipment. By using domestic natural gas rather than imported fuel for power generation, the plant will help conserve scarce foreign exchange. [Text] [Dacca THE BANGLADESH OBSERVER in English 3 Jun 82 p 1)

RAILWAY BOARD ABOLISHED--The Government has decided to abolish Bangladesh Railway Board and appoint an Administrator, says a PID handout. This is a first step of a detailed administrative reorganisation to streamline the Railway Administration and make it efficient and cost effective in the larger national interest. It is also intended to appoint a General Manager (West) to administer the Bangladesh Railway in the Western half and a General Manager (East) to administer in the Eastern half. It is also intended to create a few operational sub-areas based at Mymensingh, Bhairab Bazar, Sylhet and Chittagong Port area in the Eastern Zone and Jessore, Rajbari, Bonarpara and Lalmonirhat in the Western Zone. The Divisional Railway Managers will remain posted at Chittagong and Dacca and Paksey and Parbatipur (instead of Lalmonirhat). The Government is also considering to upgrade the important junctions and terminal stations and appoint a special manager for joint control and overall coordination of various Railway functions at these stations. The stations are Chittagong, Dacca Akhaura Khulna Santahar and Ishurdi. The detailed scheme will come into force with effect from 1st of July, 1982. [Text] [Dacca THE BANGLADESH OBSERVER in English 3 Jun 82 p 1]

DACCA CORPORATION ADMINISTRATOR--The Chief Martial Law Administrator has appointed Brigadier Mahmudul Hassan Officiating Engineer-in-Chief, Army Headquarters, as Administrator of the Dacca Municipal Corporation, in addition to his duties as Engineer-in-Chief, says a PID handout. He assumed the charge of the office of the Administrator of Dacca Municipal Corporation on Monday. The Administrator will perform all the duties and exercise all financial powers as governed by the rules and regulations of Dacca Municipal Corporation. [Text] [Dacca THE BANGLADESH OBSERVER in English 11 May 82 p 1]

AGRICULTURAL RESEARCH BODIES--All the research institutes under the Ministry of Agriculture namely Bangladesh Rice Research Institute (BRRI), Bangladesh Jute Research Institute (BJRI), Institute of Nuclear Agriculture (INA) and the Forest Research Institute (FRI) shall henceforth be constituent units of the Bangladesh Agricultural Research Council (BARC). Although BRRI, BJRI, INA and FRI shall maintain their independent entity they shall however be under the supervisory control of the Bangladesh Agricultural Research Council. [Text] [Dacca THE BANGLADESH OBSERVER in English 28 May 82 p 1]

BULGARIAN JUTE PURCHASE--Bangladesh has signed an agreement for selling jute goods valued around Taka 3.5 crore to Bulgaria. The goods will be shipped next month, says a Bangladesh Jute Mills Corporation (BJMC) Press release. The contract has been signed by Mr A N Wahid, General Manager marketing on behalf of BJMC and Mr Georgi Monolov on behalf of Inter Commerce, Sofia Bulgaria. [Text] [Dacca THE BANGLADESH OBSERVER in English 10 Jun 82 p 1]

ESCAP AID--The Economic and Social Commission for Asia and Pacific (ESCAP) will provide financial assistance to the tune of 16,500 U.S. dollars (about Taka 3.5 lakh) to conduct feasibility studies of two prime mover industries in Bangladesh in small and cottage industries sector under an agreement signed in Dacca on Friday, reports BSS. Processing of indigenous herbs and plants by extraction methods for its use in the production of modern medicine and tanning of leather to manufacture leather goods particularly for handmade shoes for exports are the two fields where the feasibility studies will be conducted. The agreement to this effect was signed between Bangladesh Small and Cottage Industries Corporation (BSCIC) and ESCAP. On identification of the viability of the projects, industrial ventures would be established with the assistance from friendly countries, knowledgeable sources said. The study, which is the first phase to work out the proposed work plan is expected to take four months to complete, sources said. Local consultants required for the study will be provided by BSCIC. [Excerpt] [Dacca THE BANGLADESH OBSERVER in English 8 May 82 p 1]

CSO: 4220/7429

INDIA

REPORTAGE ON DEVELOPMENTS IN RELATIONS WITH PAKISTAN

G. K. Reddy on Gandhi Letter

Madras THE HINDU in English 1 Jun 82 p 1

[Text] The Secretary in the External Affairs Ministry, Mr K. Natwar Singh, who is in charge today to deliver personally to President Ziaul-Haq a letter from the Prime Minister, Mrs Indira Gandhi, on India's readiness to strive for a mutually beneficial relationship and lasting peace with Pakistan.

(A UNI message received later in the night said Mr Natwar Singh had handed over the letter to Gen Zia).

Though the Prime Minister's communication is more in the nature of a reply to Gen Zia's last letter on the no-war proposition, Mrs Gandhi has availed herself of the opportunity to seek some clarifications of the Pakistan President's recent utterances, while assuring him of India's continued desire for better relations.

The Government has sent Mr Natwar Singh to deliver the letter personally and offer the necessary elucidations in putting across the Indian point of view in a positive manner on the proposed resumption of the stalled dialogue on normalisation. He has gone to Islamabad with a full brief to respond to any positive suggestions, while reiterating the Indian position.

Options Kept Open

The contents of the Prime Minister's letter have not been disclosed, but it is generally known that the communication has been drafted with great care to keep India's options open in negotiating with Pakistan.

It is intended to serve the twin purpose of keeping the door open for a resumption of the stalled dialogue, while leaving Gen Zia in no doubt whatsoever that India's misgivings about the possible motivations behind the no-war proposal should be dispelled before the two countries could get down to any serious talks on normalisation.

The basic purpose of this correspondence is not to achieve an early breakthrough but clarify the issues involved in negotiating a no-war pact. If it

is true that Gen Zia is having some fresh reservations about the Simla Agreement, then there is no basis at all for talking afresh on mutual renunciation of the use of force for settling Indo-Pak disputes.

But India is ready to respond positively to any genuine suggestion by Pakistan for improving bilateral relations. It is prepared to reopen the dialogue on the three inter-linked ideas of a no-war pact, a friendship treaty and a joint commission.

The Prime Minister, who had an unscheduled meeting with the PLO (Palestine Liberation Organisation) Chief, Mr Yasser Arafat, on May 23 before he left for Islamabad, has conveyed this assurance by Gen Zia through him. A similar assurance was given to the Saudi Arabian leaders during her recent visit to that country in view of its close links with Pakistan.

A new feature of the current Indo-Pak moves for better relations is that Islamic countries like Saudi Arabia are acquiring a special interest in it. These countries recognise the importance of Indo-Pak amity in the present security environment of the region. The Indian attempt to fortify the negative no-war concept with a positive proposition like a friendship treaty is no longer seen as an insidious bid to side-track the issue of non-aggression.

The moves under way for an early resumption of the Indo-Pak dialogue have acquired an international dimension in view of the Prime Minister's forthcoming visits to the United States and the Soviet Union.

Western Fears Disproved

It will certainly strengthen her hands in talking with a measure of conviction in Washington, at any rate, if she can demolish the oft-repeated Western theory that India is a difficult neighbour which is prone to adopt an over-bearing attitude in dealing with countries like Pakistan.

The Pakistan Foreign Minister, Gen Yaqub Khan, will be going to Washington, well before Mrs Gandhi visits the U.S. at the end of July for wide-ranging talks with PRESIDENT Reagan and his top advisers on the South Asian situation.

He has recently been to a number of Islamic countries, including Saudi Arabia, to propagate the no-war idea as a measure of Gen Zia's keen desire for better understanding between India and Pakistan.

It is against the background of all these developments that Mrs Gandhi has decided to depute a senior official like Mr Natwar Singh to assure General Zia personally of India's readiness to resume the broken threads of negotiations, if he is really earnest about normalisation. The carefully worded letter she has written offers an opening for restarting the interrupted dialogue in the right direction.

PTI reports from Islamabad:

Mr Natwar Singh, who flew in here today, was received at the airport by the Foreign Secretary, Mr Riaz Piracha, and the Indian Charge d'Affaires, Mr S. K. Lambah.

Mr Natwar Singh refused to disclose the contents of Mrs Gandhi's letter. Mr Natwar Singh, who served as Indian Ambassador here till two months ago, said he was happy to be back in Islamabad and did not feel like a stranger here.

Asked if he would also have talks at the Pakistan Foreign Office during his stay in Islamabad, he pointed to Mr Piracha and said: "I am in his hands."

'TIMES OF INDIA' Editorial

Bombay THE TIMES OF INDIA in English 2 Jun 82 p 8

[Text]

As was only to be expected, Mrs. Gandhi's letter to General Zia-ul-Haq has broken the stalemate in the India-Pakistan dialogue which had been stalled since the end of February. At that time the Indian foreign secretary's visit to Islamabad had to be cancelled because of Pakistan's objectionable behaviour at the human rights commission in Geneva in equating Jammu and Kashmir with Palestine and Namibia. It had been made clear even then, however, that the talks were being postponed, not broken off, and would be resumed after the atmosphere, vitiated by the ugly episode at Geneva, had improved sufficiently. Evidently the desired improvement is deemed to have taken place. Mrs. Gandhi sent her letter to Gen. Zia with a special emissary, underscoring the importance she attaches to this country's relations with Pakistan. For its part, the Pakistani government has responded to her initiative with commendable promptness and the Indo-Pakistani dialogue is as good as resumed. This is a happy development. But euphoria over it would be as much out of place as despair was after the postponement of the foreign secretaries' meeting. Not only is the history of India-Pakistan negotiations replete with abrupt ups and downs, but the present differences between the two sides are so wide and substantive that to underestimate them would be to run away from reality.

Radio Pakistan has announced that the two sides will pick up the threads from where the former Pakistani foreign minister, Mr. Agha Shahi, and Mr. Narasimha Rao left them after their talks in New Delhi in January. But a lot has happened since then. Gen. Zia has repeatedly proclaimed, for instance, that the Pakistani proposal for a non-aggression pact must take precedence over the Indian idea for a comprehensive treaty of peace and friendship and even the more specific suggestion for a joint commission which Mr. Shahi had enthusiastically welcomed. This naturally strengthens suspicions in this country arising from the fact that, having consistently rejected the Indian offer of a no-war pact for 32 years, Pakistan has suddenly become so enamoured of this idea that it wants the two countries to sign such

a pact in a tearing hurry. Even more disturbing is the Pakistani President's statement, in utter violation of the Simla agreement, that Kashmir is an international, not a bilateral issue. How is this statement to be reconciled with Mr. Shahi's declaration in New Delhi that the no-war pact would neither add anything to the Simla agreement nor subtract anything from it? Indeed the question arises whether the no-war pact applies to Kashmir and if so, is the line of control to be treated as inviolable or not. Without a satisfactory answer to these crucial questions, a no-war pact can have little meaning. But precisely because a durable understanding between India and Pakistan is so difficult it should be a reason for redoubling the efforts to reach it, not an excuse to give up the ghost.

Accord on Modalities

Madras THE HINDU in English 2 Jun 82 p 1

[Text] A limited understanding has been reached by India and Pakistan on the modalities of resuming the interrupted dialogue on the no-war idea and other inter-related issues like a friendship treaty and a joint commission.

But it has not yet been decided how soon and in what form the stalled talks will be restarted to get the process of normalisation into stride again.

The Prime Minister's special envoy, Mr K Natwar Singh, who has been sent to Islamabad to personally deliver her letter to Gen Zia-ul-Haq and to explore the possibilities of an early resumption of the suspended discussions, has had a 90-minute talk today with the Secretary-General of the Pakistan Foreign Ministry, Mr Shah Nawaz, on various approaches to normalisation.

Crucial Exchanges

The reported decision to continue the interrupted dialogue, on the basis of the broad understanding reached during Mr Agha Shah's visit to Delhi, emerged from these crucial exchanges. The full details of what exactly has been agreed upon, and whether there has been any significant change in Pakistan's postures, will be known only after Mr Natwar Singh's return to Delhi tomorrow afternoon.

As Secretary in charge of the Pakistan division in the External Affairs Ministry, Mr Natwar Singh has gone with clear-cut instructions to settle first the basis for the resumption of the dialogue, before agreeing on what is to be discussed at the next round of talks on normalisation. He was authorised to tell the Pakistan government in no uncertain terms that the dialogue cannot be specifically for discussing the no-war idea alone, since the very concept of non-aggression has to be taken up in its proper perspective as part of a more positive approach to better relations.

Indian Preference

The Indian preference is to talk first on the proposed establishment of a joint commission to provide an institutional framework for discussing and

settling a wide range of issues relating to normalisation. But this approach does not preclude the two sides from talking of other ideas like the no-war pact and the inter-related proposal for a treaty of friendship and cooperation.

But if Pakistan is reluctant to agree to what in its view might amount to a reversal of the whole process of the no-war negotiations as conceived by it, there has been no objection from the Indian side to discussing the whole gamut of bilateral relations without a structured agenda for considering various issues in any particular order of priority or sequence. It has, therefore, been conveyed to Gen Zia and his advisers by Mr Natwar Singh that India was ready to talk without pre-conditions on all these issues with the sole objective of improving relations by creating first a climate of conciliation.

As India sees it, the current Indo-Pak dialogue is essentially a confidence building exercise to pave the way for a lasting accord on specific issues. These problems have to be tackled with patience and perseverance without aiming at any dramatic results. It is in this context that India has been pressing for the establishment of a joint commission as a starting point for better relations.

It was agreed during Mr Agha Shahi's visit that the Foreign Secretaries of the two countries would meet in Islamabad towards the end of February or early March to carry forward the dialogue on all these aspects. But the whole effort suffered a setback following the highly objectionable references the Pakistani delegation made to the Kashmir question in the U.N. Human Rights Commission.

Salvage Operation

The current effort to get back the stalled dialogue into stride is essentially a salvage operation to keep alive the process of normalisation in one form or the other even if it is going to be an agonisingly slow exercise. It is for this reason that India has been adopting a cautious approach to refrain from arousing any high expectations which could only create an atmosphere of abrupt anti-climax in the absence of positive results.

Pakistani Draft Not Acceptable

Madras THE HINDU in English 8 Jun 82 p 1

[Text]

The proposed resumption of the interrupted Indo-Pakistan dialogue on a no-war pact might prove to be a non-starter if the two sides get bogged down over the relevance of rival drafts.

An official spokesman made it quite clear today that the Pakistani draft, which was handed over to the Secretary in the External Affairs Ministry, Mr. Natwar Singh, in Islamabad last week, was unacceptable to India in its present form. The Indian objection was that it laid the primary stress on the conclusion of a

no-war pact without any matching emphasis on putting some positive content into what was essentially a negative concept of non-aggression.

The spokesman said that India would seek to enlarge the scope of the Pakistani document, presumably in the form of an alternative draft at an appropriate time, by suggesting several additions and amendments to it. Asked whether such alterations would not amount to a virtual rejection of the Pakistani draft, he said that India wanted to make it more

comprehensive to bring it in line with the principles that would guide the two countries in evolving a positive relationship of peace, friendship and cooperation.

The detailed comments of India would be communicated to Pakistan in the course of the preparatory exchanges on the proposed resumption of the no-war dialogue. The Government was approaching this whole exercise in the hope that the two countries would be able to arrive at an agreed formulation.

The spokesman implied that the contents of the Prime Minister's recent letter to Gen. Zia-ul-Haq and the Pakistani draft of the no-war agreement had been leaked to score a propaganda point. But it was not India's policy to conduct serious diplomatic negotiations without an element of confidentiality about what was being said by either side.

Meanwhile, India is keeping a close watch on Pakistan's military purchases, especially its acquisition of sophisticated equipment from the United States. A careful analysis of the

aid figures and other inter-related borrowings and third country credits indicate that Pakistan would be getting nearly three billion dollars worth equipment outside the six-year military sales and economic assistance programme announced by the United States.

The Pakistan President, who is now on a visit to Jeddah to attend the Islamic conference, has confirmed that the first instalment of F-16 aircraft would start arriving before the end of this year, as reported by Radio Pakistan. He also said that the U.S. military aid programme was progressing satisfactorily.

The Defence Ministry in Delhi has a fairly comprehensive idea of both the categories and quantum of equipment that Pakistan has been getting from the U.S. and other sources. At the political level, the Government has also the necessary information about the financial assistance Pakistan is getting from various sources and the concessional terms on which certain types of military equipment was being sold to it.

Pakistani Envoy's Remarks

Calcutta THE STATESMAN in English 9 Jun 82 p 1

[Text] Pakistan's Ambassador, Mr Abdul Sattar, said today the time was ripe for the conclusion of the proposed non-aggression pact since this would "reinforce the corresponding provisions of the Simla agreement, strengthen mutual confidence and pave the way for the acceleration of the process of normalization and the development of cooperation" between India and Pakistan.

Speaking to the Delhi Study group, Mr Sattar said Pakistan looked forward to a further exchange of views with India even though "over three months were needlessly lost."

Mr Sattar spoke about a number of issues without posing them as such. This included the acquisition of arms by his country. "A powerful State that doubts the peaceful intentions of a neighbour, which also lacks the capability for successful resort to aggression, undermines the credibility of its peaceful professions by making it seem as if its real purpose is to reduce the less powerful neighbour to a defenceless position," he said.

Islamic Bomb

Mr Sattar denied that Pakistan had the capability to explode a nuclear device, and said it did not have a nuclear weapons option. "But surprisingly the very same commentators who play down their own considerable programme and tested explosion capability engage in motivated propaganda and conjure up the spectre of an Islamic bomb."

Mr Sattar said that no one wanted an arms build-up and it would obviously benefit both countries if they could conclude a treaty on limitation of arms to agreed ratios commensurate with their respective defence needs. "In better times we could even consider a balanced reduction in the level of arms."

Mr Sattar rejected the theory of regional primacy and predominance on the ground that it violated international law which recognized only non-interference in the internal affairs of a country, not a region.

"Attention should not be allowed to be diverted from the actual presence of some 100,000 foreign troops in Afghanistan by references to the non-existent issue of a foreign military base in Pakistan."

More on Envoy's Remarks

New Delhi THE STATESMAN in English 9 Jun 82 p 10

[Text] Pakistan's Ambassador to India Abdus Sattar on Tuesday suggested conclusion of an arms limitation treaty between India and Pakistan based on ratios commensurate

with the respective defence needs of the two countries. Such a treaty, he said, could "in better times" be expanded to effect a balanced reduction in arms.

Mr Sattar made the suggestions, at a function in the Capital, along with a strong and vociferous defence of his country's right to arm itself and a hard hitting and obvious attack on India's perception of Pakistan's armament programme.

"A powerful state that doubts the peaceful intentions of a neighbour which also lacks the capability for a successful resort to aggression undermines the credibility of its peaceful professions by making it seem as if its real purpose is to reduce the less powerful neighbour to a defenceless position", Mr Sattar said.

Commenting on the oft-expressed fears that the arms acquired by Pakistan would "strengthen impulses for confrontation", Mr Sattar countered with a reference to India's plans to acquire Mirage aircraft.

"If 40 aircraft (F-16s) produce the presumed effect induction of 300 aircraft on the other side must foster a mood of belligerence scaring for the neighbour", he observed.

Describing his country's arms purchases, made to upgrade its defence needs in a deteriorated security environment, as

"modest", Mr Sattar said "it cannot but baffle if a country itself engages in rather massive purchases of the most lethal equipment from sundry sources, but indulges in vociferations against the purchases of another".

Mr Sattar, however, stressed that the disillusionment in both countries to the "harvest of hatred and conflict", and especially, "the realisation of common dangers on a shared geographical horizon" had opened up great possibilities for the strengthening of Indo-Pak relations.

He also asserted that the ties between the two countries could receive a fillip only if there was a "willingness to re-examine conventional positions and postures".

Elucidating his point, the Ambassador referred to the "assertion, frequently purveyed in propaganda" that one country alone was always to blame for past conflicts and that very time, one side was aggressor and the other a victim. "No honest appraisal of facts can support such a sanctimonious distortion", he said.

Referring to issues of "regional primacy and dominance", Mr Sattar said that attempts to assert this, especially in regard to another country's relations with an extra-regional power "smacks of an ambition to hegemony".

CSO: 4220/7426

INDIA

PRESIDENTIAL ELECTION PLANS, ISSUES REPORTED

Reddy Comments in Srinagar

Bombay THE TIMES OF INDIA in English 3 Jun 82 p 1

[Text] The President Mr. N. Sanjiva Reddy, today refuted reports that he would be a candidate in the ensuing presidential election. He said he had made it clear on many occasions that he had no more desire to seek office again.

He said he was pained to note that his name continued to be mentioned by the press from time to time in connection with the forthcoming presidential election. Mr Reddy is relinquishing office next month.

Speaking at a civic reception accorded to him on the lush green lawns of the emporium, the president urged leaders of acknowledged eminence, irrespective of party affiliations, to come together, without any thought of securing narrow political advantage and to devise methods of arresting further deterioration in the country's political and economic life.

Mr Reddy observed that the country was beset with many problems, including exploitation of communal, regional and linguistic differences by mischievous elements, growth of fissiparous tendencies, steady rise in the prices of essential commodities, concentration of wealth, black money and fast deterioration in the standards of public life. The Centre and state governments alone could not tackle these problems, which were becoming more acute daily.

He, therefore, called upon all leaders to come together to arrest this deterioration in the country's political and economic life.

He, however, offered to make available "such counsels as I am capable of giving and such service as I am in a position to render to the nation," but in a purely non-official role on his retirement.

The president referred to the progress achieved since 1947. The benefits of development had reached the remote corners of the country; Jammu and Kashmir had received special attention all along so that there was a marked growth

and prosperity in the state. The hard work of the people, combined with governmental support, had brought about improvements in the standard and quality of life of the people of the state.

The chief minister, Sheikh Abdullah, praised the president's approach in dealing with problems of the state. He said Mr Reddy had discharged obligations of his high office with proper understanding of the people in various parts of the country.

The Sheikh said the country had passed through many a crisis during Mr Reddy's presidentship. But each time, the president's sagacity and justness of mind had succeeded in pulling the country out of the woods.

In doing so, the president had never allowed his personal likes to tamper with the essence and spirit of the constitution and the demands of our national interests.

The president arrived here this morning on a three-day visit to the state, during which he will visit Ladakh also. The governor, Mr B K Nehru was among the distinguished citizens present at the civic reception.

Election Commissioner's Announcement

Bombay THE TIMES OF INDIA in English 3 Jun 82 p 1

[Text] Polling in the presidential election will be held in the third week of next month and the result will be known by July 22.

Informing newsmen here today, the chief election commissioner, Mr S. L. Shakdher, said notification in this regard would be issued by middle of this month.

The term of President N. Sanjiva Reddy expires on July 24.

Mr Shakdher said that the exact dates for filing nomination, scrutiny and polling are yet to be decided.

He said the secretary general of Rajya, Sabha, Mr Sudarshan Agarwal, was being appointed returning officer and secretaries of various state legislative assemblies would be assistant returning officers. They would conduct the polls in the respective states.

He said the counting of votes would take place after three days of polling.

Mr. Shakdher said the election would take place in the conventional way, through ballot papers.

Each contesting candidate has to be proposed and seconded by ten MPs or MLAs and the candidate has to pay a security deposit of Rs 2,500. No candidate could file more than four nomination papers.

Only elected members of the Lok Sabha, Rajya Sabha and state assemblies are eligible to vote. Members of assemblies in union territories, state legislative council and nominated members are not eligible to vote.

The value of vote of a member of parliament for the presidential poll is 702 while that of the various states differs on the basis of the population as per 1971 census.

The value of vote of an MLA from Uttar Pradesh is the highest--208--while that of Sikkim the least--seven.

The total value of votes of MLAs in 22 states are 543,415 as against the total value of votes for 774 MPs (both Lok Sabha and Rajya Sabha) is 543,348 making a grand total of 1,086,763.

'TIMES OF INDIA' Editorial

Bombay THE TIMES OF INDIA in English 3 Jun 82 p 8

The presidential election is once again on us. The country has to choose another occupant for Rashtrapati Bhavan next month. Opposition parties have already made some moves in this regard. They have sounded President Sanjiva Reddy whether he is willing to offer himself for a second term and they have called for a consensus candidate. There is an obvious contradiction between the two moves. The opposition leaders cannot first start looking for a possible candidate and then expect the ruling party with a clear majority in the electoral college to accept him as a consensus candidate. But that apart, they cannot seriously expect Mrs Gandhi either to accept Mr Reddy or any other nominee of theirs or agree to join them in a search for a compromise candidate. They must know that she would like to put her own nominee into Rashtrapati Bhavan and that she is in a position to have her way. So their moves have to be seen as an attempt to buy time and to embarrass Mrs Gandhi. They need to buy time because they do not in fact yet have a candidate, Mr Reddy being understandably reluctant to accept their proposal. For he cannot possibly wish to invite certain defeat and the consequent loss of face. Perhaps they are calculating that they will be able to agree on Vice-president Hidayatullah and persuade him to be their nominee in case Mrs Gandhi does not choose him as her candidate for presidency and he resigns in a huff. Above all, they expect to be able to embarrass Mrs Gandhi because in recent years the view has gained ground that a consensus president is in the best interest of the country. This proposition is open to question.

Since the adoption of the Constitution in 1950, the Indian president has often been compared with the British monarch. Dr Rajendra Prasad contested this view and argued that the powers of the Indian President needed to be precisely defined. By implication, he suggested that an elected president should have more powers than a hereditary monarch. Dr Prasad's suggestion has not found acceptance and the comparison with the British monarch has held. One difference between the two is obvious. Since no one can be elected president without the support of the majority party, he owes his office to it, though he does not on that account serve as its instrument. Indeed in view of the

responsibilities that devolve on the office of President under the Constitution, especially in exceptional circumstances as after the break-up of the Janata party and the fall of the Desai government in the summer of 1979, he has to be above partisan politics. But since the Constitution specifically vests all executive powers in the council of ministers headed by the Prime Minister, the President must get along well with one who holds that topmost executive office in the land. The country cannot afford the luxury of intrigue and conflict at that level. It is, therefore, on the whole desirable that the president is the nominee of the Prime Minister. Of course, if the Prime Minister does not command the necessary majority in the electoral college, he or she has no choice but to seek the support of other parties. In that case, the concept of a consensus president becomes relevant.

At the time of Mr V. V. Giri's election as president in 1969, the ruling party headed by Mrs Gandhi did not possess the necessary majority in the electoral college. Indeed, Mr Giri was not its candidate, to begin with. Though its support was of critical importance for his election, Mr Giri did not owe his office solely to it. He, therefore, began to see himself as a consensus president and talk as one. He had the good sense not to precipitate a constitutional crisis by refusing to go along with the Prime Minister on critical issues on which he held views different from hers. But he could have done so, obviously with disastrous consequences, particularly up to 1971 when Mrs Gandhi lacked a majority in the Lok Sabha.

Mr Sanjiva Reddy is the first consensus president we have had. He was not the choice of the then Prime Minister, Mr Morarji Desai. Mr Desai had to accept him under pressure from some of the constituents of the Janata party. Then the Congress was also too demoralised and divided to think of putting up its own candidate. It must be said to Mr Reddy's credit that like Mr Giri he, too, has not precipitated a constitutional crisis in his five-year term which is now drawing to a close. His role in July 1979 when Mr. Desai lost his majority in the Lok Sabha was controversial and is still open to question. This is especially so in respect of his decision to ignore Mr Jagjivan Ram's claim as the new leader of the Janata parliamentary party and to ask Mr Charan Singh to form the government. But a case can be made in his favour. The more pertinent point, however, is that Mr Reddy's relations with Mr Desai were far from cordial and that the same has been true of his relations with Mrs Gandhi. This could well have led to serious difficulties.

As political controversies in our country have sharpened, it has become a practice for opposition parties to present memoranda to the President against the government and wait on him. This is a helpful development inasmuch as it provides another outlet for aggrieved politicians and parties. But the President is not the last court of appeal and he is not expected under the Constitution to function as such. He is obliged to be guided by the advice of the council of ministers headed by the Prime Minister. The Constitution is specific on this issue. But even if it was not, it would have been necessary either to write such a provision into the basic law of the land or to establish such a convention as in Britain. Parliamentary democracy cannot function on any other basis.

Mr Giri proclaimed that he was not a rubber-stamp president. In the process he cast a slur on his predecessors, all of them men who had distinguished themselves in the service of the nation. In reality he was being only contentious and contentious men do not make effective heads of state in functioning democracies. If a president's, like a constitutional monarch's, main function is to "advise, guide and encourage" the Prime Minister, he should be anything but contentious. Quiet advice quietly tendered has a much greater chance of influencing the government's policies than public airing of differences with the government in public speeches and private conversations. This has led to all kind of speculations and rumours which cannot be said to have served any public interest.

In the circumstances, Mrs Gandhi cannot be blamed if she feels that both as Prime Minister and leader of the Congress (I) with a clear majority in the electoral college, she must have the final say in the selection of the next head of state. It is, however, not going to be easy for her to choose a candidate. She does not have a surfeit of men of stature at her disposal. She can, of course, put a relative non-entity into Rashtrapati Bhavan as she did once in the past. But such men bring the august office of President into disrepute and cannot be of much use to her in difficult moments. There are some other complications. But the opposition parties also do not have many appropriate names to suggest. We are concerned only with the principles which should determine the choice of the next President and we have little doubt that the Prime Minister is entitled to decide.

State by State Voter Statistics

New Delhi PATRIOT in English 3 Jun 82 p 7

[Text] The following is the table released by the Election Commission giving the number of votes in each State:

(Figures, in that order, indicate the number of elected Assembly seats, value of each vote, and total votes for the State):

1	2	3	4
Andhra Pradesh	294	148	43,512
Assam	126	116	14,616
Bihar	324	174	56,376
Gujarat	182	147	26,754
Haryana	90	112	10,080
Himachal Pradesh	68	51	3,468
J and K	76	83	6,308
Karnataka	224	131	29,344
Kerala	140	152	21,280
Madhya Pradesh	320	130	41,600
Maharashtra	288	175	50,400
Manipur	60	18	1,080
Meghalaya	60	17	1,020
Nagaland	60	9	540

Orissa	147	149	21,903
Punjab	117	116	13,572
Rajasthan	200	129	25,800
Sikkim	32	7	224
Tamilnadu	234	176	41,184
Tripura	60	26	1,560
Uttar Pradesh	425	208	88,400
West Bengal	294	151	44,394

Total value:	543,415
(a) Value of votes per member of Parliament:	702
(b) Total value of votes for members of Parliament: (702x774):	543,348

Total: 1,086,763

CSO: 4220/7408

INDIA

CPI-M ISSUES STATEMENT ON MIDEAST SITUATION

New Delhi PATRIOT in English 11 Jun 82 p 4

[Text]

The CPI-M politbureau has suggested the Government of India work out urgent steps along with the socialist and the non-aligned countries to defeat the Israeli aggression in West Asia.

The politbureau, in a statement issued on Thursday, noted that it was happy that the Government of India had expressed concern over the West Asian developments and that the Prime Minister herself had sent a message of solidarity to PLO chairman Yasser Arafat.

The politbureau denounced the Israeli Zionists and their US imperialist supporters for the war of aggression launched against

the Palestinians in Lebanon.

The statement said:

The full-scale war that the Israeli rulers have begun against Lebanon has the sole aim of wiping out the forces of Palestinian liberation led by the Palestine Liberation Organisation. With the liquidation of the PLO and the dispersal of the Palestinian Arabs, with the illegal annexation and establishment of more and more Jewish settlements in Arab territories which should constitute a Palestinian State, the Zionists are aiming to suppress for ever the right of the Palestinian Arab people for a State of their own.

The Israeli aggressors are able to treat world opinion with contempt and defy United Nations decision only because of the full political, economic and military support which the US imperialists give them. The present war has also been launched with the backing and encouragement of the US imperialists. It must be clear to all now that what is happening in West Asia is part of the US imperialist strategy of trying to suppress the national liberation movements everywhere in the world.

Only full-scale intervention by the Arab States against the Israeli aggression with the support of the socialist world, the non-aligned movement and the freedom-loving people of the world can save the situation.

The politbureau called on the Indian people to demonstrate their wrath against the Israeli and US imperialists and express their fullest support and solidarity to the PLO and the Arab people.

It urged all political parties interested in defending the independence of countries to unitedly raise their voice against the US-Israeli aggressors.

CSO: 4220/7424

PLO CHARGE SPEAKS AT DELHI SOLIDARITY MEETING

New Delhi PATRIOT in English 11 Jun 82 p 11

[Text]

Palestine Liberation Organisation Charge d'Affaires, Jamil Hajaj on Thursday called upon all Arab nations not to send messages of condemnation alone, but join in the fight against the Israeli invasion of Lebanon and the PLO.

Addressing a public meeting organised in the Capital by the All-India Peace and Solidarity Organisation to condemn Israel's attack on Lebanon and the PLO Mr Hajaj noted that only a few Arab countries like Syria, Yemen and Algeria were giving active support to the war against Israel.

The PLO Charge d'Affaires said, "We are not just fighting to defend ourselves. We are fighting for the dignity of all the Arabs, so we expect the full help of all the other Arabs". Mr Hajaj stressed that the PLO was not alone in its fight and had the support of all progressive countries as well as of liberation movements like the African National Congress and the SWAPO.

Expressing the full assistance of his country to the PLO's struggle against Israel, Yemen Charge d'Affaires Azz Quaty noted that the United States was using Israel as a front to gain supremacy in West Asia by suppressing Lebanese, Syrian, Algerian and Libyan forces.

It was high time the Arab world realised that it was not enough to merely issue verbal attacks against Israel and the United States, said Mr Quaty. The Arab countries must forget the minor differences amongst them and should fight jointly

against the aggression of Zionism, he added.

Earlier, Prof Basheeruddin Khan stated that the expansionism of Israel had marched into Lebanon flouting all norms of international conventions, with the collaboration and collusion of the United States.

Urging the people to raise a common voice in protest against the Israeli invasion, Prof Khan said that South Africa, West Asia and the Caribbean would remain 'flashpoints of conflagration' if immediate action was not taken.

Presenting a cheque for Rs 1001 to the PLO Charge d'Affaires, Prof Khan announced that the AIPSO had started a Palestine Aid Committee which would gather money, medicine and other essentials to help the PLO guerrillas in their struggle against Israel.

Mr N K Krishnan added that the time for material support had come and massive military and medical aid should be collected "to feed the holy war of defiance under the leadership of the PLO".

Referring to India's support to the Palestine cause, Congress-S general secretary Ambika Soni urged the Indian Government to close down the Israeli consulate at Bangalore.

The AIPSO has organised a demonstration outside the US Embassy on Saturday at 3 p.m. in protest against US involvement in the aggression. A spokesman said that the demonstration would be attended by members of different political parties, trade unions and individuals.

The Jamia Progressive Writers Association has condemned Israel for aggression.

CSO: 4220/7424

GANDHI REPORTED PLANNING CHANGES IN CONGRESS-I

Madras THE HINDU in English 10 Jun 82 p 7

[Text] The Prime Minister, Mrs Indira Gandhi, is making some calculated moves to assure those of her former colleagues who are prepared to return to her fold that she is not irrevocably opposed to giving them their due place in the changed circumstances.

The zealots in her camp, who were afraid that the monopoly of their loyalty would be broken with the entry of more competent men, had created the impression that Mrs Gandhi was bent on humiliating even senior personalities like Mr Y. B. Chavan by keeping them in prolonged suspense about their future.

But now there are indications that she is no longer interested in perpetuating the rigid compartmentalisation between old and new loyalists to the point of frittering away the available talent. The sobering experience of the recent mini-general election has also convinced her that this complex country cannot be run by relying only on one section of her party colleagues.

It is in response to the new compulsions at work within the Congress (I) itself for taking a more enlightened view of loyalty without reducing it into a narrow cult that Mrs Chavan as chairman of the next Finance Commission. She had earlier intended to give this assignment to Mr Kamalapati Tripathi after he had completed the work of sales tax committee.

Stream-lining planned: The surprise visit Mrs Gandhi paid a few days back to see how the AICC(I) office was functioning was only a well-timed move to make her displeasure known to her colleagues about the present state of the ruling party. It is common knowledge in party circles here that she proposes to revamp both the AICC(I) head office in Delhi and the PCC(I) offices in the States.

One of the suggestions under consideration is to appoint the new PCC(I) chiefs on the clear understanding that they would continue work at the organisational level without staking their claims to chief ministership of their States. A hint to this effect has already been given to some of them who have already been given to some of them who have been privately

campaigning against their Chief Ministers in the hope of eventually replacing them.

The next few months will indicate how far Mrs Gandhi would be prepared to go at this stage in inducting some of the newcomers into pivotal party posts. A renewed attempt is being made to encourage a few of those who parted company with her after 1977 as a result of policy differences, not deserted her simply to seek better pastures elsewhere to return to her party with an assurance of acceptability and promise of proper utilisation of their talents and experience.

Resistance likely: These moves are bound to be resisted by those who have acquired a vested interest in keeping Mrs Gandhi isolated from her former colleagues. They continue to conjure visions of renewed conspiracies to revive her earlier apprehensions about their attempts to get back to power by jumping on to her band wagon.

But there are indications that she is becoming increasingly wary of the advice of the old loyalists who are bent on keeping the Congress(I) a tightly controlled power base to feather their own nests. Some of them have been ticked off for offering unsolicited advice against admitting old Congressmen or utilising their services.

CSO: 4220/7425

CPI LEADER RAO PROTESTS 'MISUSE' OF JOINT RALLY

New Delhi PATRIOT in English 4 Jun 82 pp 1, 7

[Text]

CPI general secretary Rajendra Rao is understood to have protested to Lok Dal leader Madhu Limaye against the use of the all-opposition platform on 31 May by some leaders for voicing their partisan views going beyond the agreed limited scope of the meeting.

Mr Rao is learnt to have sent a letter to Mr Limaye on Wednesday, saying that the limited scope of the joint meeting was to protest against the murder of democracy in Haryana by the Congress-I leadership and on how to safeguard independence of the judiciary and the Election Commission. Yet, some leaders raised all sorts of theories at the joint meeting.

Mr Rao objected to issues like 'all-in unity of the old Janata constituents to replace the Congress-I and heavy industry as the source of all evils like unemployment and poverty being raised at the meeting.'

The letter added that the CPI did not subscribe to the concept of an alternative to the Congress-I consisting of parties and forces which were amongst themselves politically opposed to each other on many important issues. The CPI policy was to build a Left and democratic

alternative based on anti-monopoly, anti-landlord and anti-imperialist programme.

The CPI did not believe that building heavy basic industries was the cause of unemployment, poverty and inflation. It believed that the capitalist system built by the Congress rulers since independence and continued by the Janata Government was to be blamed for the current socio-economic crisis.

The CPI, the letter noted, believed that the basic cause of degradation of political life and democratic values was the capitalist set-up. That was why Mrs Indira Gandhi, in her attempt to defend the crisis-ridden capitalist system, was throwing to the winds all democratic norms and adopting anti-people measures to bolster up her authoritarian methods.

Mr Rao said that raising all sorts of issues at joint opposition meetings organised for a limited purpose would harm the cause of mobilising widest number of people to oppose the anti-people and anti-democratic measures of the Indira Gandhi Government. He hoped that the point he had raised would be

kept in mind in future whenever such all-opposition party meetings were called on specific issues.

Mr Rao is understood to have sent copies of the letter, which was written after a high-level discussion among the CPI leaders, to all parties which had participated at the Vithalbhai Patel House meeting last Monday.

CSO: 4220/7413

GOVERNMENT FORMS POPULATION ADVISORY COUNCIL

New Delhi PATRIOT in English 2 Jun 82 p 5

[Text] The Government has constituted a 20-member Population Advisory Council headed by Union Health Minister B Shankaranand to analyse and implement the family welfare programme, reports PTI.

The council will also suggest ideas and strategies to improve the performance in achieving the demographic goals.

Additional Secretary J S Baujal and commissioner (family welfare) will be the member-secretary.

The members of the Council will normally hold office for two years.

Mr A C Das will head the fourth important committee on the welfare of Scheduled Castes and Scheduled Tribes.

The committee on public undertakings and that on public accounts each will have 22 members, 15 representing the Lok Sabha and seven the Rajya Sabha elected by the two Houses.

The committee on Scheduled Castes and Scheduled Tribes will be a larger body of 30 members, 20 of whom are drawn from the Lok Sabha.

The chairmen of the four committees, Parliament's watchdog bodies on the shaping and implementation of Government policies in the sectors of economy and social welfare, will hold office for the term ending 30 April 1983.

Following are the members of the Committee on Public Undertakings:

LOK SABHA: Mr Madhusudan Le (chairman), Mr Kamaluddin Ahmed, Mrs Gurbrinder, Kaur Brar, Mr Ramnath Dubey, Mr Harish Kumar Gangwar, Mr Krishna Chandra Halder, Mr Nihar Singh Jain, Mr Bhogendra Jha, Mr Lakshman Mallick, Prof Ajit Kumar Mehta, Mr D K Naikar, Mr N Kudantha Ramalingam, Mr Pratap Bhanu Sharma, Mr Krishan Pratap Singh and Mr Satyendra Narain Sinha.

RAJYA SABHA: Mr S W Dhabe, Mr J P Mathur, Mr M M Mishra, Mr Narendra Singh, Mr Manubhai Patel, Mr M S Ramachandran and Mr Syed Sibte Razi.

Members of the Committee on Public accounts:

LOK SABHA: Mr Satish Agarwal (chairman), Mr Chitta Basu, Mrs Vidyavati Chaturvedi, Mr C T Dhandapani, Mr G L Dogra, Mr Bhiku Ram Jain, Mr K Lakkappa, Mr Mahavir Prasad, Mr Sunil Maitra, Mr Dhanik Lal Mandal, Mr Jamilur Rahman, Mr Uttam Rathod, Mr Harish Rawat, Mr G Narsimha Reddy and Mr Ram Singh Yadav.

RAJYA SABHA: Dr Sankata Prasad, Mrs Pratibba Singh, Mr Syed Rehmat Ali, Mr Satyanarayan Reddy, Mr Kaiyan Roy, Mr Nirmal Chatterjee and Mr A P Janardhanam.

CSO: 4220/7407

INDIA

NEW 37-MEMBER CABINET INSTALLED IN WEST BENGAL

Calcutta THE STATESMAN in English 3 Jun 82 pp 1, 3

[Text] With the second group of 37 Ministers and Ministers of State sworn in on Wednesday by the West Bengal Governor, Mr B. D. Pande, and the announcement of portfolios soon after, speculation over a number of key portfolios over the past week came to an end.

Confusion over the Power portfolio was set at rest. Contrary to reports in a section of the Press that Mr Jyoti Basu would look after the Power Department, Mr Sankar Gupta took over as Minister of State in charge of Power. He would hold the portfolio independently.

With the swearing-in of 37 Ministers and Ministers of State, the second two-tier Ministry of the Left Front rose to 42. The first Left Front Ministry had 23 Ministers and seven Ministers of State. Mr Mansur Habibullah, Speaker of the Assembly, who will be included in the Cabinet this time, will be sworn in after the election of a new Speaker on June 14.

The nominee of the Democratic Socialist Party will take oath later. This will make a 44-member Ministry for West Bengal.

Mr Kanal Bhowmick, who was sworn in on May 26 but refused the Jail portfolio is without a portfolio for the moment. In the new Left Front Ministry, the number of Cabinet Ministers have been reduced to 21 in place of 23 in the previous Ministry. The Front has inducted 18 new Ministers of State, quite a few of whom will be holding independent charge. Unlike in the previous Ministry, almost all Cabinet Ministers will have Ministers of State to assist them.

Mrs Chaya Bera, Minister of State for Social Education and Non-formal Education, becomes the second woman Minister in the new Left Front. Miss Nirupama Chatterjee, Minister of State Welfare Branch of Relief and Social Welfare, continues in this Ministry.

There has been a reallocation of a number of portfolios in the present Left Front Ministry. Mr Provas Roy, the Irrigation Minister in the previous Ministry, will look after Sunderbans Development. A separate department for

the development of Sunderbans has been created and a Minister of State, Mr Abdul Rezzak Molla, will assist Mr Roy. The Irrigation and Waterways Department has been left with a Minister of State, Mr Ram Narayan Goswami.

Mr Radhika Banerjee takes over the Food and Supplies Department which was held by Mr Sudhin Kumar in the former Ministry. Mr Banerjee, however, retains the Relief branch of the Relief and Refugee Rehabilitation Department. Mr Debabrata Banerjee, who has been allotted Panchayat and Community Development this time has been shorn of the responsibility of the Jails administration. Mr Amritendu Mukherjee, who held the Animal Husbandry Department, now has additional charge of Refugee Relief. In the earlier Ministry, Mr Radhika Banerjee looked after Refugee Rehabilitation.

Apart from the Sunderbans Development, a separate Department for Environment has been created which is to be looked after by Mr Bhabani Mukherjee who was in charge of Parliamentary Affairs before.

Among Cabinet Ministers there have been new inductions. Mr Nirmal Bose of the Forward Bloc replaces Mr Bhakti Bhusan Mondal and becomes the Cooperative Minister. Mr Rabin Mukherjee takes Mr Mohammad Amin's place as the Transport Minister.

Two Ministers of State have been elevated to Cabinet rank. They are Mr Kanti Biswas and Mr Sambhu Mandi. Mr Biswas, who was looking after the Youth Services, has been made the Minister for Primary and Secondary Education while Mr Mandi looks after the same department--Scheduled Castes and Tribes Welfare along with Jhargram Development. He is being assisted by a Minister of State.

Unlike in the previous Ministry, the Finance, Development and Planning will have a Minister of State in Mr Santi Ranjan Ghatak. The Finance portfolio is being looked after by Mr Jyoti Basu. The Land and Land Reforms Department also has a Minister of State. Mr Sunil Kumar Mazumdar will help the Cabinet Minister, Mr Benoy Choudhury. A new department--Social Education and Non-formal Education--has been created and will be headed by Mrs Chhaya Bera, Minister of State. The Cottage and Small-Scale Industries Department will be looked after by a Minister of State, Mr Proloy Talukdar. In the previous Ministry, Mr Chittabrata Mazurdar, a Cabinet Minister, held this portfolio.

The first to take the oath in the second group of Ministers was Mr Benoy Krishna Choudhury. The Governor read out the oath in halting Bengali. All the Ministers and Ministers of State took their oath in Bangali except for Mr Tawang Dawa Lama, Mr Pande read out the oath to him in Nepali.

Among those present at the swearing-in ceremony were members of the Consular Corps, M.P.s High Court Judges, MLAs of the Left Front, former members of the first Left Front Cabinet, academicians and officers of the armed forces. Mr Promode Dasgupta, Chairman of the Left Front Committee sat quietly among the distinguished guests. The Chief Minister and four other Ministers, sworn in on May 26, were also present. The ceremony began at 4 p.m. The Ministers

after being administered the oath walked across the dais, sat at a table and signed the oath forms.

Soon after the swearing-in ceremony, the Left Front Ministry was faced with the problem of accommodating the members of the rather large Ministry.

Mr Jatin Chakravarty, PWD Minister, said on Wednesday that as a result of shortage of space at Writers Building and Assembly House, quite a few Ministers would have to set at different offices in the city. Some have been provided space at Assembly house, others at Poddar Court and the Minister of State for Power at the Power Department office on Fairlie Place. One Minister of State will be allotted space in an office on Bentinck Street.

Three Ministers of State--Mr Subhas Chakravarty, Mr Koronmoy Nanda and Mr Bonamali Roy--will be accommodated in the offices adjacent to the Cabinet room. This space is used by officers at Writers Building now. The space will be partitioned.

The Chief Secretary to the West Bengal Government said that Mr Radhika Banerjee will have his chamber at the Food and Supplies Department in Free School Street. The Minister of State for Food and Supplies will share the same premises. Mr Tamang Dawa Lama, Minister of State for Hill Affairs Development, will use a chamber in Assembly House when in Calcutta. His office, otherwise, will be in Darjeeling. Mr Abdul Rezzak Molla, Minister of State for Sunderbans Development, will operate from Sech Bhavan at Salt Lake.

Shortly after the swearing-in ceremony on Wednesday, portfolios allotted to Ministers and Ministers of State were announced. The following is the list of Ministers:

Cabinet Ministers

1. Mr Jyoti Basu, Chief Minister: Home (excluding Transport, Civil Defence and Parliamentary Affairs), Finance, Development and Planning (excluding Sunderban and Jhargram Development). For the time being Mr Basu will look after the Legislative and Judicial Departments.
2. Mr Krishnapada Ghosh: Labour.
3. Mr Kanai Bhattacharya: Commerce and Industry, Public Undertakings and Industrial Reconstruction.
4. Mr Kanai Bhowmick: Minister without portfolio.
5. Mr Benoy Krishna Choudhury: Land and Land Reforms.
6. Mr Debabrata Bandopadhyay: Panchayat and Community Development.
7. Mr Radhika Banerjee: Food and Supplies, Relief branch of Relief Department.
8. Mr Nani Bhattacharya: Health and Family Welfare.
9. Mr Kanti Biswas: Primary and Secondary Education.
10. Mr Jatin Chakravarty: Public Works Department and Housing.
11. Mr Nirmal Bose: Cooperation.
12. Mr Samindu Ghosh: Higher Education.
13. Mr Amritendu Mukherjee: Animal Husbandry, Refugee Relief.

14. Mr Bhabani Mukherjee: Environment.
15. Mr Rabin Mukherjee: Transport.
16. Mr Parimal Mitra: Forest and Tourism.
17. Mr Provas Roy: Sunderbans Development.
18. Mr Prasanta Sur: Local Government, Urban Development, Metropolitan Development.
19. Mr Sambhu Mandi: Scheduled Castes/Tribes Welfare and Jhargram Development.
20. Mr Kamal Guha: Agriculture

Ministers of State

21. Mr Mohammad Abdul Bari: Primary and Secondary Education.
22. Mrs Chhaya Bera: Social Education, Non-formal Education.
23. Mr Subhas Chakravarty: Youth Services, Sports and Dairy Development.
24. Miss Nirupama Chatterjee: Welfare branch of Relief and Social Welfare.
25. Mr Ram Chatterjee: Civil Defence--Independent charge.
26. Mr Siben Chowdhury: Transport.
27. Mr Santi Ranjan Ghatak: Finance, Development and Planning.
28. Mr Ram Narayan Goswami: Irrigation and Waterways--Independent charge.
29. Mr Sankar Gupta: Power--Independent charge.
30. Mr Tamang Dawa Lama: Hill Development Affairs.
31. Mr Sunil Kumar Mazumdar: Land and Land Reforms.
32. Abdul Rezzak Molla: Sunderbans Development.
33. Mr Ambarish Mukherjee: Relief branch of Relief and Social Welfare Department.
34. Mr Bimalananda Mukherjee: Excise--Independent charge.
35. Mr Kiranmoy Nanda: Fisheries--Independent charge.
36. Mr Patit Paban Pathak: Parliamentary Affairs--Independent charge.
37. Mr Provas Phadikar: Information--Independent charge.
38. Mr Achintya Krishna Roy: Food and Supplies.
39. Mr Bonamali Roy: Scheduled Castes and Tribes Welfare.
40. Mr Sailen Sarkar: Local Government and Urban Development.
41. Mr Prabir Sengupta: Labour.
42. Mr Proloy Talukdar: Cottage and Small Scale Industries--Independent charge.

CSO: 4220/7410

DEFENSE MINISTER, INDIA PREPARED FOR ANY THREAT

Bombay THE TIMES OF INDIA in English 8 Jun 82 p 5

[Text] The defence minister, Mr R. Venkataraman, has said that the Indian army was fully prepared to meet any threat from outside, and any country which might venture an attack on India would be "taught an unforgettable lesson."

Addressing a public meeting here last night, Mr Venkataraman said the country's defence expenditure of Rs 5,300 crores was nothing compared to its freedom. The nation could not be a silent spectator while a neighbouring country was buying weapons on a large scale, he added.

Mr Venkataraman said Pakistan was being supplied by the U.S. with modern war materials in large quantities. The U.S. was saying that these were intended for the use against Afghanistan and the Soviet Union. If so, why Pakistan was piling up these arms on Indian borders, he asked.

The defence minister said he had recently visited the north-west borders and other places where he found "our armymen to be cheerful and fully prepared to meet any challenge from outside."

Talking to newsmen in Nagapattinam, Mr Venkataraman said the country was fully prepared with the latest weapons to face any threat from outside.

Replying to a question, he ruled out a mini naval base at Nagapattinam as it was a cyclone-prone area and was situated in shallow waters.

Naval Academy

He said the Kerala government had provided all infrastructure facilities for the proposed naval academy at Exhimalai.

Declaring open a Red Cross relief warehouse building, built at a cost of Rs 12 lakhs at Nagpattinam, Mr Venkataraman commended the massive relief measures undertaken by the Red Cross in this area when it was hit by cyclone in 1977.

He reminded the people of their responsibilities to extend their cooperation to this organisation. He said people living along the seashore could start marine-based and chemical industries, exploiting the local resources and help build the economy of the area.

The defence minister distributed house-size pattas, sewing machines, iron boxes and sprayers, totally costing Rs 6 lakhs to the economically weaker sections.

CSO: 4220/7415

INDIA

DELHI CONCERNS OVER ABDULLAH, BORDER STATES TOLD

Madras THE HINDU in English 3 Jun 82 p 1

[Text] The Centre is taking a serious view of Sheikh Abdullah's attempts to give a communal twist to the Governor's refusal to give his assent to the controversial Bill permitting Kashmir Muslims who had migrated to Pakistan to resettle in the State.

The Prime Minister, Mrs Indira Gandhi, met the President, Mr N. Sanjiva Reddi, yesterday to brief him on the Kashmir situation before he left for Srinagar this morning on a two-day visit, since she felt that the Sheikh might misrepresent the whole issue to him by professing that he supported the Bill on purely humanitarian considerations.

The Centre suspects that Sheikh Abdullah is bent on deriving some propaganda advantage, before the next Assembly elections in the State by making it appear that the Jammu and Kashmir legislature was being unjustly prevented from enacting this law on purely communal considerations to keep the Muslim majority down.

If he succeeds in getting away with this contentious legislation by browbeating the Centre, he would be able to pose as a strong upholder of Muslim interests in Kashmir, while the refusal of assent by the Governor could be exploited equally to create a misleading impression that the Hindu communalists in India did not want divided Kashmir Muslim families to reunite by taking advantage of this legislation.

The last Assembly elections in Kashmir were held in June 1977 and in the normal course the State should have gone to the polls in the recent mini-general elections. When the Constitution of India was amended during the Emergency extending the tenures of both the Lok Sabha and the State Assemblies from five to six years, the Kashmir Government adopted this change by making a parallel adjustment in the State Constitution.

Early poll possible: But when the Janata Government decided to revert to the five-year rule, the Jammu and Kashmir Government preferred to retain the six-year option for its own reasons. However, the Sheikh has been toying with the idea of an early poll at an opportune moment, without waiting till June 1983, to outwit the Congress (I) which has been bitterly denouncing him.

Sheikh Abdullah has been under some sort of compulsion to whip up anti-Hindu feeling among his Muslim followers in Kashmir as part of his political strategy to pave the way for the emergence of his son as his natural successor in the kind of dynastic democracy that he is seeking to establish in the State.

It is precisely to prevent him from exploiting the communal argument in pursuit of such narrow considerations that the Centre has more or less made up its mind to call the bluff even at the risk of a showdown with the Sheikh on the eve or in the midst of the renewed dialogue with Pakistan.

Link-up of agitations? The Prime Minister is no less firm in her determination to prevent a possible parallelism, if not a close link up between the Sheikh's tirade against the Centre and the threatened agitation by the Opposition parties in Haryana against the imposition of the Congress (I) Government in this highly volatile State.

A disquieting, off-shoot of the Haryana episode is the attempt of the Akalis in adjoining Punjab to mount a similar agitation against Congress (I) rule which could indirectly serve as an incentive for a revival of the Khalistan movement.

The Cabinet Secretary, Mr C. R. Krishnaswamy Rao Sahib, flew to Simla yesterday to brief the Punjab Governor, Dr M Chenna Reddi, on the wider implications of these developments in the three border States. The Centre is keeping open its option of bringing them under President's rule, if the Opposition parties succeed in interlinking the threatened agitations to give them a national significance.

CSO: 4220/7411

NEW MINISTRY INSTALLED IN HIMACHAL PRADESH

New Delhi PATRIOT in English 3 Jun 82 p 1

[Text]

A 15-member three-tier Council of Ministers, headed by Chief Minister Ram Lal, was installed in office here today with the swearing-in of 14 members of the new Government.

Mr Ram Lal was sworn in on 24 May.

The new Ministers, who were administered oaths of office and secrecy by Governor A N Banerji at a simple ceremony at Raj Bhawan, include seven Cabinet Ministers, four Ministers of State and three Deputy Ministers.

As a last-minute change, Mr Rangila Ram Rao was made Minister of State and Mr Vijayendra Singh Chief Parliamentary Secretary.

Mr Dharam Singh, who has been appointed Deputy Minister, could not attend the ceremony owing to indisposition.

Talking to newsmen later, Chief Minister Ram Lal indicated the first session of the new Vidhan Sabha would begin in the fourth week of this month. The portfolios will be allocated in a few days.

READY FOR CONTEST

He said his party was yet to decide on its nominees for Speaker and Deputy Speaker.

When his attention was drawn to the statement of BJP leader Shanta Kumar that the Opposition would contest the Speaker's election, he said his party was ready for a trial of strength on

the floor of the House.

He claimed that two or three more legislators were likely to join his party shortly. He did not name them.

The Cabinet Ministers are: Mr Sukh Ram, Mr Shiv Kumar, Mr Guman Singh, Mr Des Raj Mahajan, Mr Sant Ram, Mr Sat Mahajan and Mr Devi Singh.

The Ministers of State are: Mr Daulat Ram Sankhayan, Mr Gulab Singh, Mr Mansa Ram and Mr Rangila Ram Rao.

The Deputy Ministers are: Mr Hans Raj Akrot, Mr Moti Ram and Mr Gangu Ram.

Mr Vijayendra Singh was sworn-in as Chief Parliamentary Secretary by the Chief Minister.

But for Mr Des Raj Mahajan and Mr Devi Singh, other Cabinet Ministers were colleagues of Mr Ram Lal in his previous Ministry.

While Mr Des Raj Mahajan is a former Speaker and was a Minister in the late Dr Y S Parmar's Cabinet, Mr Devi Singh was a Forest Minister in the Janata Government.

Of the members of the last Ministry, Mr Sant Ram, who was Minister of State for Development, has been promoted to Cabinet rank.

Among others who have been in the Ministry, Mr Mansa Ram, Mr Gangu Ram, Mr Moti Ram and Mr Gulab Singh — who successfully contested the elections as Independents and later returned to the party fold.

CSO: 4220/7412

INDIA

REPORT ON DELEGATE'S SPEECH AT JAKARTA MEET

Bombay THE TIMES OF INDIA in English 8 Jun 82 p 14

[Text]

INDIA today reiterated its commitment to regional co-operation and collective self-reliance in Asia and the Pacific and said the region could become a bastion of development and prosperity if only the countries pull together in this direction.

In its own modest way India has acquired experience in increasing agricultural production, in running a continental network of storage and distribution, in arrangements to cope with acute and large-scale food shortages, in evolving improved varieties of seeds and in water management, he said.

India, with its belief that fruits of research and experience were meant for all, has shared and will continue to share them with other developing countries, Mr. Swaminathan told the 16th session of FAO regional conference for Asia and the Pacific here.

Despite facing budgetary and resource constraints, India, impelled by the desire to share the expertise at its command, had spent \$ 450 million to facilitate exchange of experts and technical assistance to developing countries. Mr. Swaminathan, who is leading the Indian delegation to the 12-day conference, said.

"India's approach", he assured the delegates, "to any initiatives for strengthening the framework for regional and global food security is invariably characterised by sympathy and constructive spirit".

However, India was concerned as

several organs of the U.N. were vying with one another and coming up with multitude of schemes and plans of action in an unco-ordinated manner, Mr. Swaminathan said.

Mr. Swaminathan said the multitude of schemes were causing confusion and blurring the focus and also resulted in wastage of scarce resources.

He suggested that FAO and the committee on world food security should be entrusted with the responsibility of reconciling and harmonising the disparate approaches and solutions on the food front.

AFP adds:

President Suharto called on the United Nations Food and Agricultural Organisation to help developing countries export their agricultural products without meeting "fabricated barriers".

Opening the 16th FAO regional conference for Asia and the Pacific, the Indonesian leader said sufficient food could be achieved if production increase was coupled with a rise of earnings through the expansion of employment.

Many developing countries' main strength for development is agricultural production and its export, he told the conference, held in the presidential palace.

CSO: 4220/7415

MOVE AFOOT TO UNITE NORTHEAST REGIONAL PARTIES

New Delhi PATRIOT in English 9 Jun 82 pp 1, 7

[Text]

Gauhati is the focal point of a concerted move to bring together the various opposition regional parties and groups functioning in the sensitive north-eastern region.

Taking the lead in the efforts to rally under a united banner the various parties and organisations championing the cause of the local people are the Purbaanchal Lok Parishad, a militant political party in the forefront of the Assam movement against foreign nationals, and the Forum of the Hill Regional Parties, a joint political platform of parties representing tribal interests the States and union territories of the region.

The parishad is organising in Gauhati on 12 and 13 June an in camera meeting of the leaders of the regional political parties of Assam, including those representing the plains and hill tribes of the State.

coordinating the struggles of the local people. Leaders of the forum are expected to visit Assam later this month for an on the spot study of the anti-foreign nationals movement in the State.

The move to bring under the one umbrella the various regional and tribal parties is significant because most of these parties share a common fear of New Delhi's alleged domination over the local people. One of the issues the PLP conference would discuss later this week relates to "the advantages and disadvantages arising out of various provisions in the Constitution and various laws of the States of the northeast and the Union Government." It would address itself to the question of "emergence and consolidation of the native personality." While the initiators of the present unification move see their efforts as historically inevitable, the Union Government is bound to view the exercise with suspicion. Though none of the parties associated with the move are overtly connected with various underground organisations operating in the area, many of these parties are suspected of harbouring secessionist and extremist elements in their fold.

100/7421

The meeting is expected to explore the possibility of building up a single strong regional political party in the State. It would be followed by a larger conference of all the regional political parties in the whole of north-east in August. Among those who would be associated with the conference are Mr Vizol of the Naga Democratic Party, the leaders of the HSPDC of Meghalaya and Mr Tomo Riba of the Arunachal People's Conference.

According to the present plans of its organisers, the conference would pave the way for a still larger conference of all socio-cultural organisations of the tribals and native people of the north-east.

The parishad and the forum are also reported to have recently held discussions on

CHIEF ELECTION COMMITTEE SPEAKS ON VOTER ROLLS

Calcutta THE STATESMAN in English 29 May 82 p 1

[Text]

SHILLONG, May 28.—Mr S. L. Shakdher, Chief Election Commissioner, today advocated automatic forfeiture of membership of a candidate who changes his party affiliation or independent status immediately after an election, reports UNI.

This is the only way to put an end to defection which "is corrupting our public life", Mr Shakdher said while inaugurating an all-India conference of Chief Electoral Officers here.

According to a PIB release, Mr Shakdher said that the electoral rolls prepared in 1979 after intensive revision would form the basic rolls and, henceforth, only summary revisions would be undertaken. It would be the responsibility of the individual electors whether those who had attained the age of 21 or those who had been left out in the previous enumeration, to come forward and register their names.

INTENSIVE REVISION

Intensive revision of electoral rolls would be undertaken only in specific areas at the discretion of the commission for compelling reasons, such as emergence of new colonies, large immigration of population and the like. Mr Shakdher suggested that to make the preparation of rolls scientific, perfect, up-to-date and most useful, all work relating to births, deaths, census, lay-out maps of booth areas, numbering of houses or dwellings and other cognate matters should be centralized in the electoral registration offices.

He said that without amending the Constitution a provision should be made in the election law whereby a candidate should also make a declaration at the time of nomination to the effect "that in case the candidate is declared elected on a symbol ~~alleged to him and changes~~ his party affiliation or independent status after election he will incur disqualification and cease to be a member", adds UNI. Mr Shakdher emphasized that the Election Commission's direction, control and superintendence over the police forces during election time must be absolute and complete.

Mr Shakdher referred to certain inherent shortcomings in the counting procedure as noticed during the recent elections. The commission had received a complaint that in one or two States the returning officers had manipulated the counting process to favour a particular candidate and had declared the results violating directions of the commission.

FAULTY RESULTS

Mr Shakdher said the commission would devise measures to prevent such violations and declaration of faulty results. In cases where a prima facie case of irregularity during the poll or in the counting is established the result should not be declared without the clearance of the commission.

Mr Shakdher, who is retiring next month, described the tendency on the part of some State Gov-

ernments and Ministers at the Centre to involve the commission in unnecessary public controversies without appreciating its powers and functions.

Mr Shakdher said the Election Commission alone should have the authority to appoint Chief Electoral Officers. Recently, a State Government had appointed a Chief Electoral Officer of its liking taking the Commission's approval for granted. Such action would severely affect the functioning of the electoral machinery.

PARTY RECOGNITION

He felt that a political party gaining recognition on the basis of a specified number of seats or the percentage of votes secured by it, gave undue weightage to certain parties to gain national status although in reality these were only regional in character, popularity and sphere of functioning. A national party should have its base on a wider national scale and its area of operation. It was also not proper to equate a Union Territory with a State for this purpose. The criterion of 4% of votes or four States including a Union Territory was too small. He proposed to discuss the matter with political parties to arrive at suitable norms before proceeding to amend the symbols order.

Mr Shakdher reiterated his suggestion for the creation of an election fund to finance various schemes such as photo-cum-identity cards to voters, use of electronic voting machines and subsidy to political parties.

CSO: 4220/7399

KANGLIEPAK COMMUNIST PARTY ACTIVITIES REPORTED

Madras THE HINDU in English 1 Jun 82 p 10

[Text] The Kangleipak Communist Party, a faction of the People's Revolutionary Party of Kangleipak (Prepak), had been "very active" in the northern part of the Manipur valley for the past few days, official sources said here today.

The KCP operations are being carried out under a new leadership. Mr Ibohanbi Singh, the former KCP chief, is now in judicial custody after his arrest some time back.

Two former KCP activists Mangi Singh and Mohendra Singh, were killed by new party cadres some days back. Their bodies were found at Sinamgom, the sources said.

The new cadres warned members of the party who had surrendered to security forces not to do anything against the underground organisation.

The operational strength of the KCP is now about 50.

Three Held

According to another report three youths, suspected to be members of an extremist organisation, were arrested near Imphal today and two 9 mm pistols and 15 rounds of ammunition seized from them.

A police patrol party checked an Imphal-Moirang bus at Kwkeithel and over-powered the three inside the vehicle.

MP's Charge

A Congress (I) Member of Parliament, Mr K. K. Tewari today demanded a probe by the Central Bureau of Investigation into what he called the "ganging up" of extremists, some desparate political leaders and external agencies to destabilise the country.

In a statement in New Delhi, he said the discovery of dynamite sticks in the Palika Bazaar cooling plant and the bomb scare in different parts of Delhi,

were preceded by the arrests of Manipur extremist leader and R. N. Kumar, who had stormed into an MP's house.

Mr Tiwari said in all these cases the persons involved had disclosed their close links with the Jawaharlal Nehru University (JNU).

CSO: 4220/7402

BANGLADESH NEWS AGENCY INTERVIEWS FOREIGN MINISTER

Dacca THE NEW NATION in English 22, 23 May 82

[22 May 82 pp 1, 8]

[Text] Indian External Affairs Minister P. V. Narasimha Rao has expressed the hope that his two-day visit to Bangladesh this weekend would help further strengthen friendly relations between the two neighbouring countries.

"We hope the talks in Dacca will result in greater goodwill and understanding in bilateral ties he told BSS New Delhi correspondent Zaghul Ahmed Chowdhury in an exclusive interview at his office here yesterday.

Mr Rao said all bilateral matters including Farakka issue would come up during talks but "indepth" discussion on any particular issue was unlikely as the visit would be "brief" and to "get-acquainted" with the new government in Bangladesh.

Detailed talks would continue between two sides, he said.

About some outstanding bilateral issues, Mr Rao said India "sincerely" hoped to find acceptable solution for many of these problems on which two governments were in touch with each other.

There has been forward movements in the recent past on some issues and it is expected that further progress would be made in the time to come," the Indian Minister said.

"I look upon this visit to consolidate our relationship," he said adding, "two countries will review all matters of common concern."

Asked on prospects of reaching an accord on the complex question of sharing the Ganges waters, Mr Rao said solution would always be forthcoming, whether sharing of waters or any other issues when both sides approached them with a constructive spirit.

The minister espoused greater Indo-Bangladesh cooperation in different fields saying "our efforts are to increase cooperation and exchanges in all fields."

Referring to bilateral trade, which is heavily in favour of India, Mr Rao said "trade of a country reflected both its needs and capacities.

However, he stressed that what was important was that two-way bilateral trade should grow since such potentials existed.

He reaffirmed India's "commitment" to the idea of regional cooperation mooted by late Bangladesh President Ziaur Rahman and scotched impression in certain quarters that his country was dragging feet over the matter.

Asked how he viewed the development of Indo-Bangladesh relationship since his last visit to Dacca in August, 1980, the minister said relationship marked substantial progress in both bilateral level and South Asian regional context.

Following are some of the questions and answers:

Question: Both Bangladesh and India have pledged on several occasions to live in an atmosphere of good neighbourliness and further strengthen their friendly relations. How do you describe the current phase of the relationship?

Answer: Ever since the liberation of Bangladesh in 1971, relations between India and Bangladesh have traditionally been close and friendly. We hope to deepen and widen the existing cooperative relationship between the two countries.

Question: There are certain outstanding bilateral disputes between the two countries, which essentially stem from being neighbours. Two sides have resolved to settle all disputes through peaceful bilateral negotiations and have made progress in solving these issues. How far you are hopeful that two friendly nations would be able to solve the problems?

Answer: As is the case between neighbours, there have been differences over some bilateral questions. Our government's policy is one of seeking friendship with all countries and particularly with our neighbours. Consistent with this policy, it has been our endeavour to resolve all outstanding questions through mutual discussion.

We sincerely hope to find acceptable solutions for many of the outstanding bilateral issues on which the two governments have been in touch with each other. There has been forward movement in the recent past on some issues and it is expected that further progress would be made in the time to come.

Questions: You are going to Dacca mainly to discuss the issue of sharing the waters of Ganges by two countries in pursuance of an understanding reached here late last year. How do you look at the talks?

Answer: My talks in Dacca will naturally be over bilateral and international issues which are of common concern to India and Bangladesh. The visit forms part of the regular dialogue carried on between the governments, following my visit to Dacca in August 1980 and the Bangladesh Foreign

Minister's visit to Delhi in September 1981. We hope to continue this dialogue. Besides, this is also a "get-acquainted" visit after the new government has taken over in Bangladesh.

[23 May 82 p 3]

[Text] Following is the concluding part of the news item published in our Saturday's issue under the caption "Visit will help cement ties: Rao":

Question: One hears a lot about the importance of forthcoming talks in Dacca in view of divergent positions of two countries over the long-term measures to augment the dry season flows of the Ganges. Don't you think that given the goodwill and understanding, two sides would be able to narrow down their differences over this vital issue?

Question: Since Bangladesh and India have made substantial progress in settling many problems, what could be in your opinion the spirit that would enable two sides reaching accord on the water issues?

Answer: Whether it is sharing of waters or any other issue solutions would always be forthcoming when both governments are determined that a constructive approach should be brought to bear upon these issues.

Question: Indo-Bangladesh cooperation was on increase in different fields signifying the growing relations between how the two sides propose further expansion of cooperation [sic]?

Answer: As I have said before, our effort is to increase cooperation and exchanges in all fields. The framework for bilateral cooperation that already exists between India and Bangladesh, as also the proposed regional cooperation in South Asia, do provide ample scope for enriching our relationship further.

Question: In the bilateral trade, the balance is heavily in favour of India. Don't you think that some steps are required from Indian side for narrowing down the big gap? What do you think in this matter?

Answer: As you would be aware, the trade of a country reflects both her needs and her capacities. What is important, however, is that the two-way bilateral trade between India and Bangladesh should grow and there is potential for this. Our trade agreement requires the commerce secretaries of the two governments to meet annually to discuss these matters in greater detail, and the next meeting is due to take place in the new future.

Question: India has responded positively to the idea of South-Asian regional cooperation mooted by late Bangladesh President Ziaur Rahman. In your opinion what are the prospects of such cooperation. Some Indian opposition politicians had alleged that India was dragging its feet over the matter. What do you say on this?

Answer: We stand committed to the idea of regional cooperation in South Asia and feel that there is good scope for such cooperation in various fields, some of which have already been identified. I am happy to say that the initiative suggested by your late President Ziaur Rahman has received broad support from all of us and I do not think that any one is dragging his feet.

INDIA

HOME AFFAIRS MINISTRY 1981-82 ANNUAL REPORT RELEASED

Calcutta THE STATESMAN in English 2 Jun 82 p 3

[Text] In view of a spurt in dacoities all over the country and recurrent atrocities on Harijans, the Centre intends to further restrict the availability and use of firearms.

This is revealed in the Union Ministry of Home Affairs' annual report for 1981-82. Reviewing the overall law and order situation in the country, the report says that there had been a marked rise in the activities of extremists in West Bengal Bihar and Andhra Pradesh. Sikh extremists who talked of "discrimination" against their community gave vent to their dissatisfaction by indulging in violent activities and also by hijacking an Indian Airlines plane on September 29, 1981.

In Assam the picture was none too rosy. The report has stated that the agitation on the "foreigners' issue" had been intensified since November 11, 1981, although talks were going on between the Union Government and the agitation leaders for an early solution to the problem. Over 220 lives were lost in mob violence and bomb explosions in the State. The report has pointed out that the programme of agitation included not only holding of rallies, bandhs and obstruction to vehicular traffic, but also "ticketless travel in Government transport."

As far as communal riots were concerned the situation was better in 1981. There had been a welcome drop both in the number of communal incidents and casualties. In 1980 there were 427 riots in which 375 people were killed. In the following year there were 319 such incidents in which 196 lives were lost. Most of the lives were lost in the two major incidents in Biharshariff and in Hyderabad City.

On account of intensified activities of the extremists, West Bengal, Bihar and Andhra Pradesh had witnessed more violence and killings. In 1980 the incidents of violence in these three States were 305 claiming a total of 84 lives. In 1981 the corresponding figures were 324 and 92 respectively.

The report makes an interesting reading about the law and order situation in Delhi. It claims that the incidence of crime in 1981 has shown a downward trend. Cases of dacoity, robbery, burglary, car thefts, snatching and riots had gone down except those of murder. In 1980, 186 cases of murder were reported: in 1981 the figure was 198.

CSO: 4220/7404

DELEGATES RETURN FROM FAILED INDO-EEC TALKS

Madras THE HINDU in English 2 Jun 82 p 9

[Text] Officials, who had gone to Brussels to negotiate a four-year agreement with EEC on textile exports are back without success.

According to informed sources a fresh effort would be made at the next round of talks in July-end to sort out the issues that had come in the way of finalising a new agreement to be effective from January 1, 1983.

The failure of talks is attributed to the hardline taken by EEC on certain aspects which India considered to be violative of the spirit of the multi-fibre arrangement and the extension protocol.

A point on which there was sharp difference of opinion between India and EEC related to the provision for a mechanism to prevent surge in the utilisation of existing quotas. India felt that this provision would give EEC unilateral right to impose cuts in the existing quotas, if there was any disagreement between the two parties during consultations. The Indian contention was that the quotas were accrued right and could not be tampered with by EEC unilaterally.

Similarly India could not agree with EEC's move to have a mechanism for bringing in new items under restraint by taking them out of the "basket" of items eligible for quota-free access. Indian negotiators felt that if it was found that import of any item enjoying quota-free access was disrupting EEC's market and its position needed to be safeguarded, the matter could be referred to the textile surveillance body for a decision instead of EEC taking powers to bring these items under restraint unilaterally.

Another point of difference related to EEC's proposal to acquire unilateral authority to debit unauthorised imports in any item to the quantitative quotas of the country of origin.

It was found that like the United States, EEC interpreted 'handmade' garments as those sewn by hand with needle and thread and wanted that the quota-free access should be available only to such garments and not those made by sewing machines from handloom fabric. India did not agree with this interpretation.

It contended that garments made out of handloom fabric in hand or foot-operated sewing machines were covered by the term "handmade garments." In fact, Canada and Austria had accepted India's interpretation and incorporated it in their recent agreement with India.

CSO: 4220/7405

INDIA

INDIA, BURUNDI AGREE TO DIVERSIFY TRADE

New Delhi PATRIOT in English 1 Jun 82 p 5

[Text] India and Burundi on Monday broadly agreed to increase and diversify trade and economic cooperation between the two countries, reports PTI.

This consensus was reached at a meeting visiting Burundi Minister of commerce and Industry Albert Muganga had with Union Commerce Minister Shivraj Patil.

During the meeting, Mr Patil stressed the need for identification of specific areas and projects for promotion of trade and industrial cooperation and said delegations of businessmen and technical experts should visit each other's country for the purpose.

Mr Muganga invited an Indian delegation to visit his country. Prior to that he said Burundi would send a list of products and projects in which they were interested in collaboration with India so that the composition of the Indian delegation could be determined accordingly.

He was all praise for the Indian business community in Burundi for their contribution in the fields of trade and industry there.

After a visit of some of the Indian industries Mr Muganga said his delegation was highly impressed with the competitive prices of products whereas compared to those in developed countries.

Mr Patil pointed out that India had developed a technology which was appropriate to the co-developing countries and assured all help for the development of Burundi.

Mr Patil also offered training facilities to the agricultural scientists and other technical workers of Burundi.

He said India would be prepared to train people from Burundi in its institutions and also send experts for training personnel in the projects in Burundi. The visiting Burundi Minister welcomed the offer.

Mr Patil said India would assist Burundi in the survey of its natural resources.

Mr Muganga also appreciated India's role in south-south cooperation.
ISO: 4220/7403

INDIA

PURPOSE OF L. K. JHA MISSION TO EUROPE, U.S. TOLD

Madras THE HINDU in English 8 Jun 82 p 9

[Text]

The chairman of the Economic Administration Reforms Commission, Mr. L. K. Jha, is visiting West Germany, Britain and the U.S. to discuss with Indian scientists, technologists and businessmen settled abroad the possibilities of their return to India to invest their savings and utilise their skills for the country's development.

The Minister of State for Science and Technology, Mr. C. P. N. Singh, has gone to the U.S. to persuade some of the leading Indian scientists employed there to accept research jobs in India either on a full-time or part-time basis as a patriotic duty even if it meant a sacrifice of their lucrative incomes.

But Mr. Jha is being deputed to discuss with representative groups specific arrangements for their active participation in the country's development, ranging from the establishment of high technology industries in the field of electronics and computer sciences to private consultancy units by internationally-reputed individuals who are in a position to share their knowledge.

The discussions will cover issues like investment of personal savings with repatriation facilities, liberal licensing procedures for import of equipment from abroad, freedom to bring in modern gadgetry for setting up homes and better medical and educational facilities for themselves.

Red tape to be cut down: The intention is to cut down the red tape to an absolute minimum to eliminate bureaucratic procedures and interferences, so that the talented Indians returning home to set up new industries, join business enterprises or work in scientific institutions can concentrate on the utilisation of their skills without running from pillar to post for routine permissions.

The proposed concessions are aimed at attracting those who are inclined to return permanently and resettle in India, while offering all possible incentives for those who want to take up only part-time work on an experimental basis to see whether they can readjust themselves to the Indian environment

without developing a feeling of cultural alienation or emotional ostracization.

The Prime Minister, Mrs. Indira Gandhi, wants to meet some of the leading Indian scientists and research scholars in New York during her forthcoming visit to the U.S. She has never subscribed to the alarming theory that the country is getting intellectually impoverished by the brain drain, since she is a staunch believer in the dictum that there is still a lot of brain left in India even after all this drain.

Mrs. Gandhi has been strongly opposed to the infantile advocacy of some of her party colleagues that there should be some check on the out-flow of Indian talent, at least in critical spheres. An attempt has, indeed, been made at one stage to prevent doctors from leaving the country without prior Governmental clearance. She stopped these irksome restrictions because she believes that the best way of encouraging qualified Indians to stay behind or return home is to create better employment prospects and working conditions for them.

One of the suggestions under discussion is that, apart from liberalising licensing procedures to attract capital participation, the procedures for employing qualified Indians should be simplified so that eminent scientists with international reputations are not expected to appear before the Union Public Service Commission or face the humility of being interviewed by ill-qualified university boards or managements of research institutions.

Pool of scholars: The Government is thinking of creating a central pool of such scholars whose services could be made available to various universities and research establishments. But the main accent is on encouraging successful Indians who have earned their reputations the hard way and made their fortunes to invest at least a part of their savings in the country's development. And Mr. Jha has been entrusted with this challenging responsibility because of his own stature and persuasive capability to talk to these expatriate Indians in practical terms free from frothy sentimentality.

CSO: 4220/7418

ENGINEERING DELEGATION RETURNS FROM WEST EUROPE

New Delhi PATRIOT in English 9 Jun 82 p 5

[Text]

The German Development Bank is very keen to finance Indo-German joint ventures in India, reports PTI.

The bank, which has so far financed about 200 industries in 64 developing countries, of which three are in India, all in the engineering field, has expressed its deep desire to invest about one million German marks in joint projects in India.

Mr Vinod L Doshi, president of the Association of Indian Engineering Industry (AIEI) who led an 18-member delegation to Germany, Belgium and Austria told newsmen on his return, that the bank had also accepted the association's invitation to visit India in early next year to sort out and identify German and Indian companies for projects to be established in India.

He said the association signed an umbrella agreement in Belgium with its counterpart—Fabri-met—providing for promotion of trade and industrial cooperation between Belgian and Indian industry.

The agreement, he said, called for the organisation of an Indo-Belgium joint industrial commission to establish bilateral trade relations between the two countries and enlarge areas of co-operation. It would also aim to identify items with potential for trade between Belgium and India for joint cooperation in third countries.

In Germany, Mr Doshi said, AIEI and German Federation of Engineering Industries also agreed to work together for the promotion of trade industrial co-operation and third country projects between Indian and German companies.

As a first step, German and Indian engineering associations were planning to jointly organise an Indo-German technology programme in New Delhi in 1983. This programme would bring together German companies offering technology with Indian companies seeking new projects. The programme would be aimed specially at medium size German companies, not exposed to India.

INDIA

PETROLEUM MINISTER RETURNS FROM VISIT TO USSR

Calcutta THE STATESMAN in English 8 Jun 82 p 9

[Text] Mr P. Shiv Shanker, Petroleum Minister, returned here from Moscow today after signing a protocol envisaging Soviet assistance in reactivating old and sick wells, mostly in Gujarat, and drilling in West Bengal, report PTI and UNI.

He was accompanied on his night-day visit by the Mr H. G. T. Woodward, Member, On-shore, of the Oil and Natural Gas Commission, and Mr T. K. Sinha, Managing Director, Pipelines and Refineries of the Indian Oil Corporation.

Talking to reporters at the airport, Mr Shiv Shanker said he had "useful" discussions with the First Deputy Prime Minister, Mr Ivan Arkhipov, the Soviet Oil Minister, Mr N. A. Maltsev, and officials.

He found that the Soviet Union had realized that India was progressing fast in the field of oil exploration and shared the anxiety that it should become self-sufficient.

"They are prepared to extend all possible cooperation in the exploration and exploitation of oil," he said.

About 120 wells will be involved in reactivation of old and sick wells in Gujarat where Soviet experts will assist Indian oil technologists with water injection, mechanized lifting of oil and other modern methods.

With an annual production of over 600 million tons of oil, the Soviets have developed high technology in on-shore drilling.

During his visit, Mr Shiv Shanker visited Soviet oil research centres in Tartaria, Tashkent and Samarkhand.

The Soviet experts will help the ONGC in the interpretation of seismic data collected by the ONGC from different fields, and in reassessing the prospects of oil and gas in Ankleswar (Gujarat), the Himalayan foothills, Krishna and Cauvery basins.

The Soviet Union has also agreed to provide software for setting up sophisticated reprocessing.

CSO: 4220/7417

ECONOMIC RESEARCH COUNCIL QUARTERLY REVIEW ISSUED

New Delhi PATRIOT in English 4 Jun 82 pp 1, 7

[Text]

The National Council of Applied Economic Research (NCAER) said on Thursday that while the overall state of the economy appeared 'satisfactory,' there was uncertainty about sustaining the tempo of the industrial growth and narrowing the wide external imbalance in 1982-83, report agencies.

In its latest review of the economy for the quarter (January-March), NCAER refers to 'decelerating' growth rate in certain core sectors like power and saleable steel 'inadequacy' of credit and signs of recession in some industries which may, at least in part be attributed to the credit squeeze.

The industrial production index in 1981-82 is likely to be higher than 4.5 per cent of the previous year.

The review says continued growth of the infrastructure sector provides hope to the industrial base, even though there are certain discordant notes like the signs of growing sickness in industries, labour unrest, continued credit squeeze and the consequent declining trend in industrial growth every month.

Damage the standing crops, but according to recent reports, the loss was marginal and the production is likely to be an all-time record in most of the crops.

The review observes that slowdown in fertiliser consumption, mainly due to price rise, may hamper agriculture growth, but if the monsoon this year is favourable, the target of 138 million tonnes of foodgrains will be well within reach.

On the industrial scene, the review says that even though the performance of the infrastructure sector continues to be good there has been a gradual decline in industrial growth rate in the recent months.

Referring to the 1982-83 budget which provided incentives for higher production and exports, and relief to low and lower middle income groups, the review says that despite sizable additional resource mobilisation to meet the required growth in plan and non-plan expenditure the uncovered deficit in the budget has been estimated at Rs 1,365 crore.

Even if this anticipated deficit is not exceeded, the total deficit financing in the first three years of the sixth Plan adds up to more than Rs 5,000 crore provided for the five year period.

Considering the past trend, when the actual deficits were higher, there is also a chance that in 1982-83 also the actual deficit will exceed the estimated

Rs 1,365 crore limit, the review speculates.

Timely and fairly widespread winter rains early this year improved the overall prospects of agriculture, says the review. It was earlier feared that the extended winter rains in certain rabi producing areas could

Combined production of coal, saleable steel, cement and power increased by 9.5 per cent during November 1981-January 1982, compared to 14.6 per cent during April-October 1981. This is because barring coal the output growth rate has been declining over the year in steel, cement and power generation.

The main problem is the sustenance of industrial growth achieved during 1981-82. However, this may not be so easy considering the decelerating growth rates in saleable steel, cement and power generation, the credit inadequacy experienced by the industry and evidence of some recessionary tendencies in the market.

The review calls for removal of bottlenecks in these key industries to reverse the decelerating trend. Much of the increase of industrial growth will depend on sustained growths in these industries.

The overall picture of industrial relations, notes the review, is not good. The strike by the textile workers has been causing substantial loss in production.

Despite the industrial relations monitoring unit created last year, the country lost 22.56 million mandays against 21.93 million in 1980. About four-fifths of these mandays lost in manufacturing industries was due to disputes relating to wages and allowances.

West Bengal tops the list, having lost 8.28 million mandays, followed by Tamilnadu, and Karnataka which lost 3.84 and 2.42 million mandays respectively.

Power generation in 1981-82 was around 123 billion units against the estimated requirement of about 137 billion units. Though lower than the country's requirement, the generation achievement was higher than in the previous year.

The 1982-83 target of 132 billion units, showing an increase of 7.4 per cent over the previous year, may not be difficult to achieve if coal production and supplies to thermal stations are maintained at stipulated levels. Significant improvement in hydro-power generation can be expected in 1982-83 with the expected good monsoon.

The wholesale price index, having registered an increase of about 14 per cent during the first five months of 1981-82 started declining from September 1981. The index on 27 March 1982, at 275.3 represents an increase of mere 1.3 per cent in 1981-82.

The country's foreign exchange reserves on 30 January 1982, stood at Rs 3,529.7 crore compared to Rs 4,811 crore at the end of 1980-81. The balance of payment position thus continues to be under severe strain mainly because of the wide gap on foreign trade account, the review says.

It notes a decline in import growth rate and an increase in export growth rate in 1981-82.

The exports in 1981-82 will be 10 to 15 per cent higher than the Rs 6,710 crore in 1980-81. Thus, at best, exports will be about Rs 7,700 crore.

The rate of growth of imports slowed down in 1981-82 to 13.3 percent in April 1981-January 1982 compared to provisional imports of April 1980-January 1981, the review says.

The decline in import growth rate was due, to a good extent, to the decline in the imports of petroleum crude, its products and fertiliser along with a marginal decline in their prices in the world market.

The deficit on foreign trade account may be lower than the Rs 5,790 crore in 1980-81.

CSO: 4220/7413

STEEP DECLINE IN AGGREGATE BANK DEPOSITS REPORTED

New Delhi PATRIOT in English 9 Jun 82 p 5

[Text]

THE banking system is now experiencing an unprecedented stringency of resources with aggregate deposits rising by a mere Rs 281 crores in the first five weeks of the current financial year ending 7 May as against Rs 744 crores in the corresponding period of last year, reports PTI.

This is also reflected in the commercial bank credit which increased by Rs 286 crores as against Rs 604 crores in the corresponding period of last year.

The sharp contrast in the trends prevailing in the current year and the corresponding period of 1981-82 is causing concern in financial circles.

Already the credit-starved industries have raised a cry of recession. Official quarters reject the view that the economy is in any recessionary phase but admit certain sectors are in difficulty, and it is here, they say, a policy of selective relief is being attempted within the overall framework of tight monetary policy, as has been done in the case of the sugar and tractor industries.

The Reserve Bank has, for the second time in four weeks, again lowered the credit reserve ratio (CRR) from 7.25 per cent to 7 per cent.

Both the Reserve Bank and the Finance Ministry are going into the phenomenon of the steep fall in deposit accretion with a view to considering what needs

to be done to attract more savings into the banking system. The availability of different channels for savings and investment with relatively better yields may be one major factor which is impeding the deposit growth of banks.

The public sector itself has in several ways sought to mobilise available savings through investments in deposits of public enterprises, apart from the bearer bonds, the saving certificates and the yet-to-be-floated capital investment bonds.

Although the year 1982-83 — Productivity Year — began favourably with a negative rate of inflation and improvements in the performance of infrastructure and in output, agricultural and industrial in the preceding year, the liquidity problem is assuming serious proportions.

Foreign exchange assets held by the Reserve Bank as on 25 May totalled Rs 3,637 crores as compared to Rs 4,518 crores in the week of 1981. The net decline, after taking into account the IMF loan drawing of SDR 900 million (about Rs 940 crores), comes to Rs 882 crores.

After two years of massive trade deficits of over Rs 5,500 crores each year, the balance of payments position in the current year would still leave a sizeable current account deficit, even assuming an appreciable reduction in the value of imports as a result of increased domestic capacity utilisation.

India's balance of payments problem would be focussed at the Aid India Consortium meeting in Paris on 14 and 15 June. The Indian delegation led by Mr R N Malhotra, secretary, economic affairs, includes Dr Bimal Jalan, chief economic adviser, and Mr G Arora, joint secretary in the Finance Ministry.

Mr Malhotra is visiting West European capitals before the consortium meeting at which the expectations are that the World Bank group would provide some two billion dollars more of it in bank loans rather than in soft IDA credits.

It remains to be seen whether these countries would make it possible for last year's consortium commitment of 3.3 billion dollars to be exceeded so as to maintain at least the same level in real terms.

CSO: 4220/7421

INDIA

OFFICIAL URGES HIGH TECHNOLOGY HARDWARE FOR IAF

Bombay THE TIMES OF INDIA in English 8 Jun 82 p 5

[Text] The chief of air staff, Air Chief Marshall Dilbagh Singh, today said that India's defence policy must be aimed at induction of high-technology military hardware for building up a "demonstrable capability superior to that of our likely adversaries."

"Our experience with China and Pakistan has taught us a lesson that we must remain ever-prepared for their capabilities being directed against us, with possible collusion," he said, delivering the keynote address at the national seminar here on "India's defence policy and doctrine for the eighties."

Stating that India's policy had traditionally remained one of defence, the chief of air staff pointed out that Pakistan had consistently gone in for high technological capability with a "distinct offensive potential."

Apparently referring to India's acquirement of Mirage fighters, the air chief said it was only recently that the Indian Air Force had started acquiring a deep strike capability, but this was still at least a dozen years behind similar capability build-up on the other side.

"I think the time has come for us to shift our stance from one of retrospection and reaction to one of anticipation and action," he said.

The Air Chief Marshal said the keynote of any exercise in defence planning was that "we should be fully matched both in quality as well as in numerical strength with our likely adversaries, if not a step ahead of them.

Asserting that the gradual increase in defence expenditure was inevitable, he said that India's defence spending, which was around 3.8 per cent of the GNP, was one of the lowest in the world.

CSO: 4220/7415

RESERVE BANK FURTHER RELAXES CREDIT POLICY

Bombay THE TIMES OF INDIA in English 8 Jun 82 p 1

[Text]

THE Reserve Bank of India has relaxed its credit policy further. The cash reserve ratio (CRR) of scheduled commercial banks has been reduced further from the present level of 7.25 per cent to seven per cent from June 11. The refinance for food credit has also been liberalised further.

The measures are expected to further ease the liquidity pressure on banks. The reduction of 0.25 per cent in the cash reserve ratio would mean release of about Rs. 119 crores of bank funds.

The RBI has announced that, with immediate effect, banks would be provided 100 per cent refinance as soon as the outstanding level of food credit exceeds Rs. 2,600 crores. This refinance arrangement will be operative for the current rabi season up to the end of September, 1982.

While announcing the credit policy on April 8, it was announced that banks would be provided 100 per cent refinance if the outstanding level of food credit exceeded Rs. 2,800 crores.

The RBI feels that the measures announced by it today should enable

banks to meet fully the current credit requirements of a seasonal nature and remove all across-the-board cut in limits, wherever they are still continuing.

The RBI also feels that this will enable banks to restore the normal sanctioning power of their branch, zonal and regional managers in the priority sector areas, remove any across-the-board restrictions that may still exist on acceptance of new accounts, and provide better credit to those sectors of industry where special difficulties are being felt or are likely to be felt.

The RBI has said that more recent trends indicate that the deposit growth has shown some improvement but the trend is "still somewhat uncertain".

It feels that there is also likely to be a greater bunching of seasonal credit demands in the next few weeks, particularly for fertilisers and sugar. The procurement of food is also proceeding briskly.

The bank points out that the measures have been taken with a view to facilitating the availability of resources to meet the seasonal credit demands, without neglecting the equally urgent needs of industry and exports in general.

CSO: 4220/7415

ENGINEERING GROUP STUDY ANALYZES, COMPARES GNP

New Delhi PATRIOT in English 3 Jun 82 p 5

[Text] India ranked 12th in the world in terms of gross national product (GNP) in 1980, according to a comparative study of the performance of India and selected developed and developing countries made by the Association of Indian Engineering Industry, reports UNI.

The study, the first of its kind, analyses the GNP, per capita income, agricultural production and industrial consumer prices over a period of ten years—1971-80.

Among the countries chosen for the study however, India's rank in terms of GNP was ninth. The growth rate of GNP in advanced countries slowed down in 1980 compared to earlier years. The United States tops the list, followed by Japan and West Germany.

India's performance on the agricultural front, the study notes, was satisfactory—a growth rate of 6 per cent compared to highly advanced countries like Japan and the US which received a setback. The rate was minus 8.33 per cent in the case of Japan and minus 2.36 per cent in the US. South Korea observed a decline of 12 per cent.

The study reveals that although India ranks quite high among the advanced countries in terms of GNP, its per capita income was 'hopelessly poor' (\$ 186) in 1980. West Germany, with an income of \$ 11,761 was

on the top of the ladder followed by France (\$ 10,823), the US (\$ 10,273) and the UK (\$ 8,261).

In terms of net increase of per capita income, Indonesia fared the best with 37 per cent increase in 1980 followed by the UK (27 per cent) and Italy (21 per cent). India achieved an increase of 6 per cent in 1979 over 1980. Sri Lanka and South Korea noted decline.

According to the report, the Indian bank rate at 10 per cent is comparatively high vis-a-vis the developed countries — Japan (6.6 per cent), West Germany (7.5 per cent) and France (9.5 per cent) in 1981. The study says that most of the developed countries have been lowering the bank rate in recent years.

In industrial production, while Japan and Italy registered an increase of 8 per cent and 6 per cent growth, respectively, India experienced a marginal improvement of 0.8 per cent in 1980. The US and South Korea, however, witnessed a negative growth rate of 5 per cent and 2 per cent, respectively.

In 1980, most of the developed countries of the West faced an adverse balance of trade, the deficit being worst in the US (minus \$38,089 million). France (\$ 23,661 million) and Japan (minus \$ 11,272 million). Only West Germany, Indonesia and the USSR observed a trade surplus.

CSO: 4220/7412

INDIA

WHOLESALE PRICE INDEX RISES, REVERSES TREND

Calcutta THE STATESMAN in English 9 Jun 82 p 9

[Text] The wholesale price index moved up again, although slowly, for four successive weeks in May, thereby reversing the falling trend that had set in for the past several months and enabled the Government to claim that a negative inflation rate had been registered by April.

The upward trend is being watched since it is contra-seasonal--prices usually fall after the rabi harvest--and, at present, it is not considered to be alarming since the rise in May is less than 1 percent. Nevertheless, the authorities think there is need to maintain the anti-inflationary policies both on the supply and demand side.

This is to be modified selectively when required. Hence the slight relaxation in the credit squeeze announced yesterday to enable banks to meet the needs of industry which has recently been complaining of recessionary trends in many sectors. The relaxation is also to help food procurement.

The main reasons for the rise in prices in May are the higher prices of primary articles and manufactured goods. For food articles, the sub-group index has moved up because of higher prices of such products as milk, barley, fish and fruit and vegetables even though these were partially offset by a fall in the prices of spices, eggs and some cereals.

The annual inflation rate by the end of May had again registered a slight rise of just under 1 percent in terms of the wholesale price index. This was about 279 points at the end of May, a 0.4% rise compared with the index at the same time last year and thus the period of negative inflation came to an end after just a month. However, if the price level continues to rise at this slow pace, the annual movement will still be well within controllable limits. But a close watch is being maintained.

On a yearly basis, the prices of a number of items have fallen. These include gur (by 47%), khandaari (39.3%), coconut oil (17.9%), rape and mustard seed (17.6%), cashew nuts (16.2%), sugar (15.2%), mustard oil (14.3%) raw cotton (14.3%), and jowar (10.3%).

On the other hand, prices of many other items have risen sharply. These include onions (by 41%), fish (24.2%), moong (19.3%) milk (15.1%), bananas (13.5%), vanaspati (11.9%), raw jute (11.3%), rice (10.9%) and tea (6.2%).

One reason for the prices being kept in check in 1981-82 was the strict watch kept on money supply (which could otherwise lead to a sharp rise in demand). During the 1981-82 busy season (October 30, 1981 to April 30, 1982), money supply shows a substantially lower rise of Rs 3,534 crores (or 5.9%) compared with Rs 5,814 crores (11.5%) during the similar period of the previous busy season. However, in the current financial year, the money supply rose slightly more (2.2%) in the first five weeks than the 2% in the same period of last year.

CSO: *220/7420

INDIA

MINISTER TELLS QUALIFICATIONS FOR UNION REPRESENTATION

Madras THE HINDU in English 29 May 82 p 7

[Text] Trade union centres having a membership of five lakhs or more spread over four industries and at least four States will alone qualify for representation in national bodies and for consultations by the Union Labour Ministry.

The Union Labour Minister, Mr Bhagwat Jha Azad, told newsmen that the principle was not new and was based on the recommendation of the National Labour Commission.

But for occasional exceptions, it had been followed in the past and the Government had now decided to stick to it as it was not possible to hold consultations at the national level with trade union centres having a membership of one lakh only. Meaningful dialogues could take place only with broadbased organisations, he said.

Two trade union centres had not submitted their claims for the verification of membership now under way. The verification would take several months more and the Government would not like to wait till then for the constitution of national consultative bodies.

A tripartite committee for the textile industry at the national level would be set up soon, it would have equal representation for employers and labour.

On the four-month old strike of textile workers in Bombay, Mr Azad said he was prepared to set the machiner for redressal of the workers' grievances in motion as soon as the strike was called off.

His understanding was that the strike in some of the units had already been declared illegal under the Bombay Industrial Relations Law.

He saw no reason why the strike should go on and said it was a matter for the Maharashtra Government to deal with.

Mr Azad will leave for Geneva on Sunday as leader of the Indian delegation to the ILO annual meeting, which begins on June 2.

Advisers from INTUC: Mr Kanti Mehta of the INTUC is the delegate from the trade union side and all the five worker advisers are also from the INTUC. The Government had asked the INTUC to choose the team following the failure of the various unions to come to an agreement.

The employers' team will be led by Dr B. L. Wadhera, acting Chairman of Coal India Ltd., who is also chairman of the Standing Committee of Public Enterprises (SCOPE).

Asked about the ratification of ILO conventions by Indai, Mr Azad said India's record was much better than that of several developed countries.

For instance India had ratified 37 of the 156 conventions of ILO while the United States had ratified only seven and the Soviet Union 45.

He did not know whether the complaints made to ILO by some Indian trade union organisations about the denial of certain rights to workers in the Border Roads Organisation would come up at the next meeting but the Government had already informed ILO that the dispute in question was now before the Supreme Court.

CSO: 4220/7400

INDIA

REPORTER DESCRIBES PROBLEMS OF IRRIGATION MINISTRY

Calcutta THE STATESMAN in English 2 Jun 82 p 9

[Text] The Ministry of Irrigation is beset with two main problems--a gap between target and achievement and a lag in the utilization of the potential created.

During 1980-81, the Planning Commission fixed a target of bringing an additional 2.64 million hectares under irrigation. Against this, the potential created was 2.34 million hectares. Similarly, the achievement in 1979-80 stood at 2.15 million hectares against a target of 2.63 million hectares.

In 1980-81, only five States exceeded their targets--Andhra Pradesh, Himachal Pradesh Madhya Pradesh Tamil Nadu and Uttar Pradesh. Of them, Himachal Pradesh and Tamil Nadu exceeded their targets marginally.

In 1979-80, no State was able to attain the target. Karnataka brought only 73,000 hectares under irrigation against a target of 3,79,000 hectares.

The Ministry's decision to increase the Sixth Plan target (cumulative irrigation potential Statewise) from 70.3 million hectares to 70.6 million under major and medium irrigation projects seems rather ambitious.

The Centre's target has also been raised under the 20-point programme bringing the overall target to 14 million hectares against the original 13.74 million.

But judging by the past performance, the target may not be achieved. Only yesterday an official release of the Ministry mentioned scarcity of material, like steel, coal and cement as a "major" obstacle in the completion of irrigation projects.

Worse is the lag in the utilization of potential. According to official estimates, the present lag in the utilization is around 4.25 million hectares. The utilization is said to be 54.7 million hectares against a created potential of 58.95 million hectares.

The main reasons for the lag are: the absence of field channels up to the last holding, the absence of control structures and measuring devices, the

non-introduction of rotational supply called warabandi, the lack of proper maintenance of canals and the lack of proper drainage in irrigation commands.

A committee, which was constituted to identify the reasons for the lag suggested setting up of multi-disciplinary command area development authorities for major irrigation projects and group medium projects.

The committee identified 76 major irrigation projects which were subsequently included in the command area development programme. There are 45 command area development authorities at present covering 71 irrigation projects.

An important factor which has been hampering proper use of irrigation water is the unauthorized cuts made by farmers in the canal banks. The practice becomes more pronounced during droughts.

The Ministry has asked States to adopt the model Irrigation Bill circulated by the Centre which inter alia provides for vesting magisterial powers with irrigation engineers so that they can take immediate action against defaulters who make unauthorized cuts in the canal banks.

The Centre is of the view that the States should adopt the model Bill. It is not happy that in some States where magisterial powers were vested with irrigation engineers had been withdrawn and transferred to the civil authorities. The Minister has accordingly urged these States that magisterial powers be restored to irrigation engineers.

CSO: 4220/7404

FINANCE MINISTER TELLS INDUSTRY TO CURB PRICES

Bombay THE TIMES OF INDIA in English 10 Jun 82 p 9

[Text]

MADRAS, June 9.

THE Union finance minister, Mr. Pranab Kumar Mukherjee, today called for voluntary price control on industrial goods in the interest of stabilising prices.

Mr. Mukherjee told members of the Southern India Chamber of Commerce and Industry here that the record food production of an estimated 134 million tonnes in 1981-82 had made the achievement of price stability possible.

"This would become easier if the prices of industrial goods are kept under check," he said. "By holding prices of your products under voluntary control and by keeping your trade margins low, it should be possible to bring down prices to reasonable levels."

Mr. Mukherjee said such a course would not necessarily reduce profits "since higher productivity and larger turnover, in an expanding economy, would more than compensate for any possible reduction in profits."

The finance minister said the outlook on the food and industrial fronts were promising and the growth rate in real terms of the gross national product in the first two years of the sixth plan "would significantly exceed the target rate of 5.2 per cent annually".

The external payment position however, was a cause for considerable concern, he warned. The economy suffered from a large balance of payments deficit because of the high import bill for crude oil and petroleum products. Secondly, this

was the time when export markets for some of the country's commodities were weak owing to "international recession and protectionism".

On the positive side, Mr. Mukherjee claimed the gradual curbing of the rate of inflation and bringing it to the "negative" in April and May. This, "at a time when most other countries are facing inflation is a clear sign that the policies so far pursued by the government to bring about price stability are aimed in the right direction". He noted significant improvement in coal production, power generation and railway transport.

Mr. Mukherjee disclosed that some developed countries had tried to dump their goods in India and so he had called for a review of the liberalised import policy to curb unnecessary imports.

Mr. Mukherjee said that because of the recession, the home markets in those countries tried the dumping tactics. He noted that imports of steel and some selected items under the liberalised policy resulted in the outgo of Rs. 2,000 crores in foreign exchange.

The object of the policy was not to let other countries use India as a dumping ground, but was meant to expand the indigenous production base and help boost exports. He told the Southern India Chamber of Commerce and Industry that unnecessary imports hurt indigenous industries and amounted to a criminal wastage of capacity already created in the country.

CSO: 4220/7423

PLANNING UNIT STUDIES BACKWARD AREAS DEVELOPMENT

Calcutta THE STATESMAN in English 1 Jun 82 p 9

[Text] Weaker sections, young people and the educated unemployed were not given adequate representation among the entrepreneurs in the industrially backward areas, which received concessional finance and other Government incentives for development, a Government study has revealed, reports PTI.

The study by the Programme Evaluation Organization of the Planning Commission stressed the need for special efforts to motivate this segment of the population to undertake industrial activity.

The study said identification and selection of prospective entrepreneurs, their training and other follow-up measures in the backward areas were not well organized. Even technical advice and consultancy services were rudimentary in the areas and efforts by official agencies lacked liaison or followup, the report added.

The study expressed reservations about the selection of industrially backward areas by the States. It said though the criteria for such areas according to the guidelines of the Pande group had been by and large adopted by the States in the final selection of the areas, due regard did not appear to have been accorded to potential areas for development.

The surveys undertaken for the selection of the areas were more of a general nature and "consequently comprehensive planning in an integrated way was conspicuous by its absence," the study said. "The promotional activities were sporadic and with varying focus and degree of effectiveness," it added.

The report based on studies of one district each in Haryana, Andhra Pradesh, Assam, Bihar, Himachal Pradesh, Karnataka, Kerala, Maharashtra, Orissa, Punjab, Tamil Nadu and West Bengal and two districts of Uttar Pradesh highlighted the lack on availability of infrastructure in selected areas and the inadequate efforts to develop them.

Noting that the main constraint was paucity of funds, the report suggested that soft loans should be made available to the State Governments and Government agencies to take up development of infrastructure in the backward areas.

The study is critical of several State Governments regarding the incentives and facilities offered by them to attract industrial units. The majority of such schemes, it said, were neither operationally effective nor useful. Therefore, there was need to rationalize and streamline these incentives, it added.

The study, while praising the role played by concessional finance and other incentives provided by the Centre to backward areas in promoting industrial growth, noted that the growth was relatively more in the backward areas of industrially advanced States than in those of industrially backward States.

CSO: 4220/7401

REPORT ON MEETING OF INTUC WORKING COMMITTEE

New Delhi PATRIOT in English 1 Jun 82 p 5

[Text] The All-India Trade Union Congress' Working Committee, which met in the Capital on 29 and 30 May, has decided to immediately launch an explanatory campaign to expose the anti-working class nature of certain amending bills introduced in Parliament and to observe the opening day of Parliament's monsoon session as "Anti-Black Bills Day."

The AITUC will hold meetings and demonstrations throughout the country on that day, especially in all State capitals and industrial centres, as a mark of protest against the Bills, a press release from the AITUC office in New Delhi said on Monday.

In a resolution on the subject, the Working Committee referred in particular to the Industrial Disputes (Amendment) Bill and the Trade Union (Amendment) Bill introduced in the last session of Parliament. The Industrial Disputes (Amendment) Bill brazenly flouts the Supreme Court verdict of February, 1978 amending the definition of 'industry' to cover hospitals, educational institutions, and the like for the purposes of Industrial Disputes Act. The amendment Bill specifically excludes all these institutions from the purview of the ID Act and a new Bill, as was done by the Janata Government, has been introduced prohibiting strikes, imposing compulsory arbitration and so on, in these institutions,' the resolution read.

Blaming the Government for not carrying to have prior consultations with the central trade union organisations before introducing these Bills, numbering five, the resolution charged it with having 'unilaterally moved in an arrogant manner' in this regard 'taking a further step forward towards its policy of suppression of the working class and trade unions.'

'Coupled with the notorious ESMA and the National Security Act, these reactionary amendments are aimed at throttling the working class and its trade unions, and constitute an all-round attack on the fundamental trade union rights at the behest of Big Business, both Indian and foreign,' it observed.

The Working Committee meeting, which was presided over by AITUC vice-presidents N K Krishnan and Homi Daji, heard a report from AITUC general secretary Indrajit Gupta on the developments in various spheres during the year, the 19 January strike and its observance, the Government's economic policies and moves in the field of labour. World Federation of Trade Unions Secretary K G Srivastava reported on the decisions of the 10th world trade union congress (held in Havana earlier this year) and explained their significance.

The Working Committee decided that all AITUC affiliates would organise meetings and demonstrations throughout the country beginning 1 September and build thereby a sustained campaign on the vital issue of peace in a bid to fight imperialist war conspiracies, arms build-up and the danger of nuclear holocaust. It was further decided that largest sections of the working class would be mobilised on this question in preparation for a 'Peace March'

to be held in Delhi in the first half of October.

Other decisions included stepping up solidarity campaigns by all textile unions affiliated to the AITUC (including fund collection during the current pay days) for the striking Bombay textile workers; organising industrywise joint conventions especially in steel, coal and BHCL in connection with wage negotiations.

In a resolution, the Committee rejected any proposal of linking wages with production, productivity and profitability. It also extended full support to the 12-day old strike of Rajasthan State Electricity Board employees and condemned mass arrests and repression resorted to by the State Government, supported the four and a half month old strike of Bombay textile workers and condemned the attitude of Central and State Governments; opposed rise in coal price as re-

cently announced by the Government and denounced the proposal of upward revision of electricity tariff, demanded inquiry into the firing on workers of Rallis Indian in UP and called for both punishment of guilty officials and compensation to workers.

By a separate resolution, the Committee strongly criticised the pro-monopoly and pro-multinational economic policies pursued by the Government. It hailed the decisions of the 10th World Trade Trade Union Congress and felt that these would help to strengthen trade union unity and unity of anti-imperialist and peace forces against the war danger, arms race and tension created by the US imperialists and their allies.

The Committee condemned the military aggression of British colonialists against Falkland (Malvinas) Islands and protested against brutal suppression of trade unions and democratic liberties in Turkey.

CSO: 4220/7403

INDIA

ENGINEERING GROUP REPORTS STRIKE, LOCKOUT DAMAGE

New Delhi PATRIOT in English 1 Jun 82 p 8

[Text] A total of 22.56 million mandays were lost during 1981 due to strikes and lockouts, according to the latest data sheet on industrial relations prepared by the Association of Indian Engineering Industry (AIEI), reports UNI.

In 1980 only 21.91 million mandays were lost.

In all 1926 industrial disputes took place in 1981, according to the data sheet which examines the concentration of industrial disputes, mandays lost, workers involved, wages lost and value of production lost. State-wise and region-wise as well as industry-wise.

An analysis of region-wise disputes show that the Southern region accounts for 36.9 per cent of the number of industrial disputes followed by the eastern region (36.6), western region (16.5) and northern region (10).

The western region, however, replaces eastern region in terms of value of production lost as it accounts for 49 per cent followed by southern region (27), northern region (14) and eastern region (10).

State-wise data revealed that Tamil Nadu occupied the foremost position in terms of number of disputes followed by Gujarat and Maharashtra. West Bengal occupied the fourth position.

According to the survey, West Bengal topped the ladder in terms of mandays lost followed by Tamil Nadu and Karaataka.

The total production loss in 1980 was Rs 296.99 crores.

One-third of the industrial disputes and mandays lost in manufacturing industry were in the engineering industry. Within the engineering industry, the largest number of industrial disputes were in basic metal and alloy industries.

CSO: 4220/7403

TRADE UNIONS PROTEST COMPOSITION OF TEAM TO ILO

New Delhi PATRIOT in English 2 Jun 82 p 5

[Text]

Leaders of eight national trade union centres and constituents of the National Campaign Committee of Trade Unions, in a telegram to the director-general of the International Labour Organisation have strongly protested against the Government of India's decision to nominate only INTUC representatives to the workers' delegation from this country to the 67th session of the ILO.

The telegram, the text of which was released in the Capital on Tuesday, pointed out that by this step the Government had allowed representation of only 25 per cent of the organised working class.

In this situation, the Indian workers' delegation was "not truly representative," they held and added: "The Government of India granted veto power to INTUC without making efforts for a unified delegation. We record our strong objection to the

workers' delegation and lodge complaint at the manner of selection of the delegation."

The ILO session is due to begin in Geneva from Wednesday and the Indian delegation (comprising workers, employers and Government representatives) has already left for Geneva. In fact, Minister of State for Labour Bhagwat Jha Azad represented India at the Commonwealth Labour Ministers' meeting at Geneva on Tuesday.

The signatories to the telegram are: AITUC general secretary Indrajit Gupta, MP, HMS general secretary D D Vazir, BMS general secretary Ram Naresh Yadav, CITU general secretary P Rammurti, MP, UTUCLS general secretary Protish Chanda, Rashtriya Mandoor Congress president J S Dara, TUCC general secretary A P Chakravarty, MP, and UTUC general secretary Jatin Chakravarty.

CSO: 4220/7407

INDIA

BRIEFS

PRIME MINISTER'S SECURITY--A special security set-up for the Prime Minister on the lines of the Secret Service of the U.S. President is being organised to replace the present security system, it is learnt. The new set-up will be under the cabinet secretariat, according to sources. The present squad, which looks after the Prime Minister's security, forms part of the Delhi police and is under the additional commissioner of police, security and traffic. Personnel for the new set-up have already been selected from all over the country. They will receive special training at the CRPF training centre at Neemuch. They will also be given commando training, probably by the Border Security Force. In February, an unauthorised person managed to breach the security cordon and intrude into the Prime Minister's house along with a group of photographers during the visit of the then Pakistani foreign minister, Mr Agha Shahi. Ironically, it was the Prime Minister herself who spotted the intruder, much to the chagrin of the securitymen. There was the usual flurry of inquiries and transfers. The recent case in which an armed person attempted to take an MP hostage and held several of his visitors hostage instead in his South Avenue flat, just near the Prime Minister's house, and possible threat by political extremists have apparently made the authorities more cautious. [Text] [Bombay THE TIMES OF INDIA in English 8 Jun 82 p 1]

DEVARAJ UR'S DEATH--The body of Mr D. Devaraj Urs, who died of heart failure last night, was today cremated at Kallahalli in Hunsur taluka in Mysore district. Present at the cremation were Mr Gundu Rao, chief minister, several other ministers, legislators and Mr Urs's followers. Mr Charan Singh, with whom Mr Urs had found political identity, flew into Bangalore to pay his respects to the departed leader. Mr Urs's body was taken from his residence here in a procession through the city. The Union minister for industries, Mr N. D. Tewari, and Mr M Karunanidhi, DMK leader, were among those who called at Mr Urs's residence here. Mr Urs's younger brother, Mr Kemperaj, died only last month. Last year, one of his married daughters with two children died. Mr Urs was given a state funeral and today was declared a public holiday. The legislative assembly, which was to meet today, was adjourned for tomorrow. [Text] [Bombay THE TIMES OF INDIA in English 8 Jun 82 p 1]

TERRITORIAL ARMY UNITS--Five more battalions of the territorial army will be raised in different parts of the country, according to the director of territorial army, Major General Gobardhan Singh Jamwal. He said here

yesterday that out of the five new battalions, two would be oil battalions, one Oil and Natural Gas Commission battalion and the remaining two ecological battalions, whereas the existing 25 battalions were only infantry units. While the location of the ONGC battalion was yet to be decided, the oil battalions were likely to be raised at Mathura and Baroda respectively. The ecological battalions would be stationed in Himachal Pradesh and Uttar Pradesh respectively to safeguard the ecology and environment in that region. [Text] [Bombay THE TIMES OF INDIA in English 8 Jun 82 p 5]

EIGHTH FINANCE COMMISSION--New Delhi, June 7. The Government has decided to set up the Eighth Finance Commission under the Chairmanship of the Congress (I) leader, Mr Y. B. Chavan. The previous commission was headed by Mr K Brahmananda Reddi. The Commission will suggest the pattern of distribution of revenues to the States arising from income-tax, excise duties and custom levies besides grants-in-aid under Article 275 of the Constitution. The devolution of funds to the States through the Commission's recommendations will be apart from what they would get as assistance towards plan programmes. [Text] [Madras THE HINDU in English 8 Jun 82 p 9]

PACT WITH CYPRUS--Nicosia: India and Cyprus have signed their first programme of cultural and educational exchanges, providing for cooperation in the fields of science, culture, education, sports, radio and television. The Minister of State for Education, Culture and Social Welfare Mrs. Sheila Kaul is now on a visit to the country. [Text] [Madras THE HINDU in English 2 Jun 82 p 5]

CONGRESS-J OFFICIAL DISMISSED--New Delhi, June 2 (PTI): The Congress (J) president Mr Jaglivan Ram, has removed Mr Mazhar Hussain from the joint secretaryship of the party. Mr Hussain also ceases to be the special invitee to the Congress (J) working committee says a AICC (J) press release here yesterday. [Text] [Bombay THE TIMES OF INDIA in English 3 Jun 82 p 6]

AMBASSADORIAL APPOINTMENTS--Mr Eric Gonsalves, Secretary (East) in the External Affairs Ministry, has been appointed India's Ambassador to Belgium. The External Affairs Ministry spokesman also informed that Mr Gonsalves would be concurrently accredited as India's Ambassador to the European Economic Community, the European Coal and Steel Community and the Grand Duchy of Luxembourg with residence in Brussels. It is learnt that Mr K S Bajpai, who is currently the Indian ambassador in Beijing, will return to New Delhi by July to take up as Secretary (East). He will be succeeded in Peking by Mr A P Venkateswaran. [Text] [New Delhi PATRIOT in English 4 Jun 82 p 1]

CPI MEETING POSTPONED--The four-day session of the National Council of the Communist Party of India scheduled to begin here on 1 July has been postponed indefinitely in view of the widespread devastation caused by the cyclone in the coastal areas of Orissa, a State party release said here today. The release added that senior party leaders including Mr Indrajit Gupta, MP and Mr Madhukar, MP, would tour the affected areas from tomorrow. [Text] [New Delhi PATRIOT in English 9 Jun 82 p 4]

LUANG PRABANG TRADE WITH SRV, INDUSTRIAL DEVELOPMENT NOTED

Vientiane SIANG PASASON in Lao 18 May 82 pp 2, 3

[Article: A New Move in Luang Prabang]

[Excerpt] Luang Prabang Province is located in a mountainous area in the middle of the five northern provinces. It consists of eight districts, 76 cantons, 1,113 villages, and has a population of over 200,000 people.

Because Luang Prabang is located in the middle of five provinces, transportation, trade, exchange, and light industry play an important role in its progress, such as the expansion of government shops, collective shops, encouragement of markets and the organization and use of private trade organizations, including buying and selling at suitable prices. In addition, there is trading between the provinces and the center and Ha Son Binh, the twin sister province of our foremost ally, the Socialist Republic of Vietnam. On the average, in 1981 the total export of goods was over approximately 27 million kip more than that of 1976, and imports were over 16 million kip.

The expansion of the electrification network in all districts and the provincial municipality of Luang Prabang increased from 2,062,860 kWh to 3,400,000 kWh. It is interesting that a great deal of electricity was used in production, such as sawmills, bridge factories [Khona hai], ice factories, rice mills, light industry, crafts, and other agricultural production.

For Luang Prabang the most basic problem is communications and transportation. For a long time, mostly riverine navigation has been used. However, after liberation, the party and government have opened up land communications routes with automobiles, made planned improvements of water routes, and scored great success. For example, in 1981 there were 506,154 km more roads than in 1976. Meanwhile, navigation was improved along many rivers, such as the Nam Xeuang, Nam Ou, Mekong, etc. As a result, transportation capacity for 1981 exceeded the amount in 1976 by over 470,000 tons, and over [74,000] passengers were transported.

In terms of economic aspects, the expansion of agricultural production is still a primary activity that has been carried on mostly within the province. After only 6 years of work Luang Prabang Province has been able to make 43.2 percent of the total rice field areas of the province into agricultural co-op rice

fields, and to make approximately 7.37 percent of all agricultural families enthusiastic members of agricultural co-ops. These people gave up their individual small-sized scattered production entirely which they had been doing for many centuries. Meanwhile, collective farming or labor exchange solidarity units are expanding in this province. This gave rise to new economic labor. For example, within 6 years they were able to rejuvenate 2,194.8 hectares of deserted rice fields, set up new irrigation canals, and repair 10 old ones. Many places engage in intensive agriculture or have increased production from one to two seasons. Moreover, the planting of many other starchy crops is widespread. All kinds of agricultural production in this province have increased every year. For example, in 1981 the total agricultural productivity of the province was 83,000 tons, 340-350 kg per person on the average, as compared with 1976, which was only 54,000 tons and 203 kg per person on the average.

9884
CSO: 4206/51

IDA LOAN RECEIVED, BIDS LET FOR NAM NGUM PROJECTS

Vientiane KHAOSAN PATHET LAO in Lao 6 May 82 pp A5, 6

[Announcement by the Lao State Electrification Enterprise, Issued 3 May 1982]

[Text] Bids are invited. VIENTIANE (KH. P. L.). The LPDR Government has received a loan from the International Development Agency (IDA) and the Organization of Petroleum Exporting Countries (OPAEC) to expand the third stage of the Nam Ngum Dam (installation of the fifth generator unit), which is located in the northern region 30 km from Vientiane Capital. The project is owned by the Lao State Electrification Enterprise.

Brief Outline of Work

The Lao State Electrification Enterprise wants to install the fifth generator unit in the present structure to be operational in 1984.

Contract "A": Construction, water pipeline system, and turbine unit

--pour concrete, install the generator and the water pipeline system in the present structure, and other details;

--provide the machinery to be installed, deliver it to the construction site, assemble and complete the installation, and ensure its functioning, such as the sluice gates, sluice gate frame [Khop hang patou], and the sluice gate lift system. Draft plans for sluice gate life system and the 45 meters of water pipeline 6 meters in diameter, and build houses and offices needed for cadres and workers.

Contract "B": Turbine and machinery components

--provide machinery to be installed; deliver it to the construction site, assemble and complete the installation, and ensure its functioning, such as one (Francis Turbine) with a capacity of 40,000 kW per 37 meters of water fall, water cooling, draining, and ventilation system.

Contract "C": AC Generator

--provide machinery to be installed, deliver it to the construction site, assemble and complete the installation, and ensure its functioning, such as the AC generator with a capacity of 50,000 kW amperes, and a speed of 136.4 revolutions per minute, and also a complete set of [fri oy = ? insulators].

Contract "D": Electrical supplies

--provide the equipment to be installed, deliver to the construction site, assemble and complete the installation, and ensure its functioning, such as 3 single transformers 11/15 kilovolts, 16.7 megavolt amperes, 50 Hz, an electric generating system, a 115-kilovolt electric rail system, control equipment, and pressurization system; install the main electric wiring and electrical control wiring, lighting, and a ground line system.

Each bid envelope must clearly state one contract only. However, for bidders who are capable of the work listed and who want to make several bids, a single bid for more than one contract is permitted. In this case the bidder should inform us and add in the corresponding discount. This will be taken into consideration in order to assess the best overall contract for the project owners.

The bid documents can be purchased starting 1 April 1982 at 200 American dollars per contract (two copies).

Contractors and/or companies of member nations of the International Bank for Reconstruction and Development (IBRD), including Taiwan and Switzerland, who wish to submit their bid for one or more contracts, should contact:

ORIGINAL TO: Motor-Columbus Consulting Engineers, Inc.
Parkstrasse 27
CH-5401 Baden
Switzerland

COPY TO: Electricite du Laos
Rue Samsenthai
E. P. 309
Vientiane, LAO P. D. R.

The bids will be opened in public on 17 June 1982 at 1400 in the meeting hall of the Lao State Electrification Enterprise, Samsenthai Rd, Vientiane, LPDR.

Vientiane, 3 May 1982

Chief of the Lao State Electrification Enterprise

Bounkeut Thammavongsa

9884

CSO: 4206/51

BRIEFS

VIENTIANE STATE TRADE ACTIVITY--Throughout 1981 the cadres of Vientiane State Trade enthusiastically and effectively carried out their own specialized tasks aimed at widening socialist trade in order to improve the standard of living of the people. According to the annual report of Mr Olaphim Inthavong, chairman of the State Trade board of directors in a ceremony on last 14 May 1981, the state trade service bought and exchanged 12,000 tons of rice from many localities. The rice exchange amounted to 8,000 tons. They bought different kinds of goods, including primary goods, general goods, and forest products from the people. The money involved was 168 million kip, and 8,115 tons of different kinds of goods were transported to different localities. As for the 1982 plan, the state trade will buy 296 million kip worth of domestic industrial products and exchange goods along the border. The people who attended the ceremony also praised the achievement of the LPRP Third Congress and enjoyed the ninety-sixth annual International Labor Day celebration. [Text] [Vientiane SIANG PASASON in Lao 18 May 82 p 1] 9884

CSO: 4206/51

POLITICAL, SOCIAL STALEMATE DISCUSSED

Lahore CHATAN in Urdu 26 April 1982 pp 6-7

[Article by Mohammad Said Azhar: "Environment Of Suffocation in Pakistan"]

[Text] There are moments when one becomes completely immobilized and the ravages of life render him incapable of reacting to anything. Like a helpless bird, his mind gets so trapped that he can neither live nor die. Oddly enough, he cannot even talk openly about his own person and the cumulative effects of the environment which bring him to this point. On both personal and societal levels he finds himself helpless. Social mores and the state laws create barriers in his path. Such is my state at present. Recently I read a report in a newspaper of the reception accorded to the present ruler, General Zia, by the Federal Union of Journalists. The report also contained the speech by the union president, Mr Rashid Siddiqi. I want to discuss the makeup of the union here, but I can't. I cannot get rid of the suffocation which has become part of my life. The reasons are, as mentioned earlier, societal posture and the state laws--both have a front against me. For the last two months I have wanted to write on Faiz Ahmed Faiz. There are many aspects which, keeping Faiz in view, should be pointed out to the nation.

He has been summoned to the edifice of the government. He can provide realistic substance on the painful issue of Afghanistan. But this wish cannot go beyond the stage of a wish. With reference to Faiz, views on the political facts can be expressed only if they conform to a certain school of thought. Stepping out of that circle would mean being a victim of a tyrade. There are numerous eager beavers, little educated, brainless people, in the country who have created such a climate in the country in regard to certain personalities that it has become impossible to say anything about them intellectually, in depth. No sooner you make a move, these people run after you with a stone to hit you.

Pasrur police, for the last month and a half or two, have given severe beatings to a young man. I read in the news a couple of days ago about a police officer of Talbi police station. A woman, according to the report, filed a suit against him charging him with sexual harassment. I have had the occasion to see many such reports about the police. The present report refreshes the memory of many previous police atrocities. The police have committed many atrocities in this dear country of ours. I can see a film of them running across the screen of my mind. If I go into its details, it will cause trouble.

Like a film in which there may be a likelihood of the police brutality to be revealed, my writing will also be censored.

The most important topic this week is the report of the Islamic Ideology Council in regard to the organization of the government which it has submitted to President Zia. In the report it was pointed out that the adult franchise and the eligibility for an elected office for men and women were not compatible with the Islamic system. The moment I read the report I began to remember all the people, schools of thought and the campaigns in the past four and a half years which have been trying their utmost to convince the oppressed people of this country that there is no place for adult franchise, vote, legislature and elections in Islam. It is imperative to write on this issue for the nation's sake, but you already know who ran these campaigns and what these schools of thought were. Not a word can be written about the fact that they have taken away the fundamental human rights. There are many other topics, for instance: Al-Zulfikar, destructive elements, patriotic elements, Arab kingdoms and princes, etc, which I wish to discuss but can't. Every one of those issues has been made out of bounds by one law or the other. I have absolutely no recourse.

If you find my writings lacking freshness, the words broken, the feelings betraying depression, the tone revealing my diffidence, and my thoughts gripped by anxiety, it is because of the climate of suffocation which has taken away the desire to live from me this week.

9859

CSO: 4203/124

OFFICIALS BLAMED FOR WASTE, SQUANDERING RESOURCES

Karachi JANG in Urdu 17 May 82 p 3

[Article by Irshad Ahmad Haqqani: "Who has Granted Permission to the Management of Steel Mills for Extravagance?"]

[Text] At times, patriotic circles in Pakistan complain that the country's limited resources are spent on unproductive expenditures, providing luxuries to the employees and high officials of the government and semi-government institutions and on the decorations of their offices and residences. Usually, the government circles declare this notion or accusation as incorrect, saying that the expenses described as unproductive are essential and there is no recourse without them. Unfortunately, however, some factors do reveal that these repudiatory statements appear weightless. For example, recently it was known that during the past few months, Pakistan Steel Mills Corporation purchased cars worth more than 5 million rupees. This happened in an institution which is already under the burden of millions of dollars in debt and it will take a long time before the mill can function to its full capacity. Steel Mills Corporation is a big institution. No one would have objected if its demand for the purchase of cars worth 5 million rupees, was a genuine need. If however the details revealed are true, the only conclusion that can be drawn is that a large portion of this expenditure could have been saved. It has been disclosed that the corporation recently bought 6 Mazda cars worth 400,000 rupees for its officers' use. These expensive cars were equipped with all the required accessories. The officers concerned, however, were not satisfied with this and they made a special request to the dealers to equip the cars with more luxuries, for which additional payment was made. The firm informed that the delivery of cars could take some time, but the high officials of the corporation could not wait and they paid more than the amount approved in the tender to take immediate delivery of the cars. It was further revealed that 27 Toyota Corolla cars were purchased for the guests on the occasion of the opening ceremony of the Mills' furnace last year. Each one of these cars was priced at 120,000 rupees. After a few days, these cars were given to the Mills officers for their official use. Six of these cars were equipped with airconditioners. Some high officials, however, regarded these cars below their dignity and for their sake Mazda cars, each worth 400,000 rupees, were purchased. Ironically, the Toyota cars that they already possessed were also left with them. Thus, some officers possess two cars, one for personal use and the other for official purposes. It was also disclosed that one of the officers returned the second

car saying that one car was more than enough for him. It should also be made clear that the gas and total expenses for the maintenance of the cars were being paid by the steel mills.

It is possible that the high officials of the Pakistan Steel Mills may have an explanation for every thing and justification for every expenditure. Nevertheless, in view of the problems of national sustenance and the situation of the Mills itself, we do not perceive any justification for this waste. Who does not know that the Steel Mills owes millions of dollars to foreign countries and it still requires plenty of time before it becomes a profitable project. The employees and officials of the Mills should try to adopt a financial balance in their institution and avoid unnecessary expenses. These days some employees of the government and independent institutions all over the country are demanding increments in their compensations. The government's response is that whatever is possible within the limited national resources will definitely be done. Nevertheless, too much should not be expected. The lower level employees, however, say that although the national resources are limited, their use and distribution should be just, and the extremely generous concessions granted to the high officials and employees should be decreased. Usually, the spokesman for the government do not attach any significance to the perception that a sector of the employees is receiving excessive benefits. The information received from the Steel Mills, however, implies that the complainants are not wrong. This information is about one institution only. Unfortunately, the situation in other departments and institutions is almost the same. Quite often, the resources in the independent corporations are spent on unproductive items with similar apathy and extravagance. The high officials have acquired such concessions and facilities that have no justification in the light of collective rights for national sustenance. We suggest that the government should pay attention to the situation and take appropriate steps to end this waste of resources. The president and other government officials always stress the importance of economizing and simplicity; fellow countrymen are advised to stay within their means. There is, however, extensive unjustified expenditure in the government's own institutions and there is no reason not to check this waste. We feel that a decision should be made about the justification or lack thereof of 5 million rupees spent by the Steel Mills for the purchase of cars. Appropriate steps should be taken to halt such waste in all government and semi-government institutions so that there is neither a waste of valuable national resources nor any complaint from the lower level employees that the pretence for limited resources is just to calm them down.

9779
CSO: 4203/129

JOURNALISTS' OBSEQUIOUSNESS DEPLORED

Lahore CHATAN in Urdu 26 April 1982 pp 17-18

[Article: "The Federal Union of Journalists and Pakistan President's Directives"]

[Text] President Zia came to Lahore on a 2-day tour. He inaugurated a bicycle, polyester and a tractor factory as part of a proposed Rs 3.6 billion capital investment during his administration. He also participated in the opening ceremonies of the biggest public park named after the national poet, Dr Iqbal. He concluded his visit by addressing a conference of Pakistan Federal Union of Journalists.

It has been a tradition in Pakistan that the persons in power are invited to inaugurate buildings, factories, bridges and canals. Placards at various places are a testimony to this fact. But, the president, by addressing a gathering of the journalists, on 20 April 1982, has created altogether a new tradition, the overt acknowledgment of which was done by Rashid Siddiqi, the President of the journalists' Federal Union, in his welcoming address. While praising the services of Mr Siddiqi for the journalists, the president assured him of his cooperation and exhorted the workers of the union to support the union wholeheartedly so that a healthy and strong journalism may develop. Calling the "Siddiqi Group" as the representative of all journalists, he hoped that the rest of the stray journalists will also eventually come into the fold.

What the Federal Union of Journalists is and what it should be is tantamount to putting one's hand in a nest of wasps. Because a journalist can tolerate everything but the scrutiny of his personal affairs. In this regard, the course on which the Department of Information has tried to direct the Federal Union of Journalists cannot in fact be described by a mere delineation of the preachings of the president to the journalists ('Do not lie,' 'help the poor,' 'do justice to the oppressed'). After all, these columns also, for censorship, have to pass under the bridge manned by the Department of Information. If the journals had a little respite from the censorship and if they enjoyed the same freedom as the newspapers where censorship is done after publication, it would have been possible to express some opinions. Now, since the weeklies have to face censorship before they are printed, we defer our opinions for a later date; though we may have to hit the proverbial fist on our own chin when we remember to use it (the fist) after the fight is over.

Anyway, the purpose of this preface was to express joy at the fact that a president addressed the journalists directly for the first time in Pakistan. In the Western countries such functions are held in the nationally-established "press clubs" where not only the national leaders but foreign delegates as well, who are more or less of the same level, address the journalists and exchange views on matters of mutual interest. We pray that the precedent set by president Zia may reach a level where it may be a source of pride for us. In this regard a reference to the press club under construction in Lahore would not be propitious. As a matter of fact it would get us into trouble if we ask what happened to Rs 1,100,000 and deposits from the businesses to build the press club building which did not go even beyond the foundation stage next to the Pakistan Television Building. Even the institutions which gave tax money to the press club people responsible for the construction of its building are not daring to open this Pandora's box.

It needs to be mentioned that only one group has been in power in the press club affairs for the last several years and the elections are held a la relay races in which, rather than casting the ballots, batons are passed from one runner to the next. As far as the affairs of the press club are concerned, the majority of the journalists, regarding them a lost cause, have long deserted them.

Perhaps the Department of Information is silent for the reason that in its view the appreciable sum donated for the construction of the press club has been justly spent and the objectives of the government have been achieved. And the group of journalists involved is satisfied and grateful since the idea of freedom of the press for it ranges from grumbling in undertones to screaming on the streets. The issues of government (for press club) grants should have been raised by the Department of Information and the funds should have been withheld after the facts came to light.

The affairs of the Federal Union of Journalists have a close affinity with the press club. At one time it was a very powerful organization, so much so that the government was afraid of it. Some time back Altaf Gohar, the former secretary of information, who is now living in that haven of despots, London, had become the champion of the cause of freedom of the press. His fertile mind created the proposal for the establishment of the National Press Trust. As a result of the action on it, the journalists, who were divided among the Associated Press of Pakistan and a private agency, now got divided in two opposing organizations. The newspapers of the private organization died one after another as a result of the government's suffocating policies. Now, remaining among A-class newspapers is NAWAI WAQT and among B-Class newspapers are WAFAQ and MAGHRIBI PAKISTAN. These papers survived because they learned to roll with the punches. At the same time, PAKISTAN TIMES, IMROZ, MORNING NEWS and MASHRIQ were deemed necessary to keep by the government since they had created for themselves a place in the world of journalism analogous to the Civil Service of Pakistan. Its most recent example is the statement by the president in which he said that it was the responsibility of his government to look after the Trust papers and safeguard the rights of its employees; therefore an investigation should be instituted into the complaints and difficulties taking place in the Trust papers, because the government, trying to introduce the Islamic system in

its society, cannot tolerate injustice being done to the employees in any of its institutions. He added: "the issue of the private newspapers is beyond the scope of the government." This was the way of thinking which had turned the Federal Union of Journalists into the trade union of government employees. For their very benefit, three wage board awards were given. They never had to suffer economic hardship. There was rarely a check on the newsprint quota they received. Besides, the qualities required to get a job there had more to do with the qualities needed in the government and less with the journalistic profession. Another way adopted to fortify and keep the journalistic talent out was by forming a trade union within the National Press Trust. There is a small percentage of vacancies designated for the children of employees or former employees of the armed services or the railways. But here, 100 percent satisfaction and endorsement of another organization at the highest level is necessary. What is its criterion? However, this is not the place for going into its details. When the independent newspapers got transformed into a government institution, they began to function like government departments. The president has talked about yellow journalism and gutter journalism. If he thinks that such journalism is found only in papers not belonging to the Trust, then respectfully we disagree. Another interesting aspect of it is that whoever gains control over the governmental union of newspapers and has support of Islamabad dominates over the Federal Union of the Newspapers until his unnatural death. On this very basis this Union is divided in three parts. One belongs to the inactive and frustrated journalists who have disassociated themselves from the Federal Union of Journalists. A small number of them is in the National Press Trust while the majority of them is in the private newspapers, where no institution other than the Censor Board gets its way. In the National Press Trust itself the Federal Union has become divided into two groups, the MASHRIQ group and the PPL group. Their area of action is determined with this division in view. Therefore, when Bhutto is in power, then Minhaj Barna gains power, and the journalists are imported in Lahore to enhance the glory of his conferences. And if President Zia is in power and he deems Rashid Siddiqi as the servant of the journalists, then the amassing of journalists from the Hilton Conference to Alhamra Conference is regarded a routine. The question that arises is: how would the change of power in Islamabad influence the federal politics of journalists. This question may be regarded as far-fetched. Therefore we have no choice but to agree with the pronouncements of President Zia, because whatever he says and dictates is good and true.

9859

CSO: 4203/124

INCOME TAX PROBLEMS OF SALARIED CLASSES DISCUSSED

Karachi MNG in Urdu 18 May 82 p 3

[Editorial: "Wage Earners and Income Tax"]

[Text] All Pakistan Income Tax Bar Association, in its 27 page proposals concerning the future budget has given the government many suggestions which reflect the desires of various sectors of the society. For example, many years ago a yearly income of 12,000 rupees was the limit set for exemption from tax. Today, with a monthly income of 1,000 rupees, it is difficult even for a small low-income family to meet its expenses. The Bar has recommended to increase this limit to 25,000 rupees. Due to high inflation, the current buying power of 25,000 rupees is in fact also less than 12,000 rupees of the past. Similarly, up to 21,000 rupees was the limit set for tax exemption for people with fixed income, which includes mostly salaried classes. Salaried people live in rented houses. The amount that they pay as rent for their living quarters should not be taken into account while assessing their income. This is the most important factor for the employees, since they have to reside usually in the city of their employment. The majority, therefore, has no choice except to live in rented houses. The rents in the cities are at an all time high. In most cases, 30 to 40 percent of the income goes towards the rent of a house. Thus, people actually earning less than 12,000 rupees a year are also included among the people liable to pay income tax; they are only responsible to receive and hand over 30 to 40 percent of their income to the landlord. All the proposals of the Bar are worthy of serious consideration; nevertheless, the recommendation concerning limited and fixed income people does require sympathetic attention. The current situation of high inflation has made life impossible for the salaried classes. This sector serves as a spinal cord in the structure of the country's administration and economy. However, looking all round at abundance of wealth in the society, this sector compares it with its limited income and feels sense of deprivation. It either feels distressed or else uses the power of its office as a source of unlawful income. Both these situations are dangerous. The Income Tax Bar Association has rightfully centered its attention mostly towards the problems of the salaried classes. It is hoped that the federal Ministry of Finance would keep these problems in view while outlining its budget proposals.

9779

CSO: 4203/129

PAKISTAN

BRIEFS

TRIBAL WARFARE IN NORTHWEST--More than one hundred persons were killed in a tribal war in northwestern Pakistan near the Afghan-Pakistan border. The fighting appears to have resulted from the occupation by Sunnite Afghan refugees of lands belonging to a Shiite Pushtoon community. A 50-day truce was concluded on 13 June following a week of fighting. [Text] [Paris LE MONDE in French 25 Jun 82 p 3]

CSO: 4200/47

SPECULATION, COMMENTARY OVER PREM POLITICAL MOVES CONTINUES

Bangkok SIAM RAT in Thai 28 May 82 p 7

[Thoughts From the News column by Prachuap: "General Prem Is Starting To 'Smell Sweet'"]

[Text] At present, a matter that people are showing a great deal of attention to is the matter of whether or not General Prem Tinsulanon, the prime minister, will play politics by running as a candidate for MP in the next election and, if he decides to run for election, whether he will join some political party or establish a new party.

Actually, concerning the matter of whether General Prem will decide to run for election in order to stay in politics, it is certainly his right to do so. But the reason that people are interested is that, at present, General Prem is serving as prime minister and the way he became prime minister was different from most politicians and prime ministers in a democratic system. That is, he was neither a member of the House of Representatives nor a senator, and he did not have his own political party. He was a minister in a government in which MPs who belonged to various political parties joined together to propose a motion to hold a general debate on issuing a resolution of no confidence, and the then prime minister had to go before parliament and resign. But it turned out that in voting for a new prime minister, the MPs in the various political parties who had proposed the motion calling for a vote of no confidence elected General Prem to be the new prime minister. The only exception was the Social Action Party, which supported its own leader, Kukrit Pramot, for the position of prime minister.

As for why most of the members of the House of Representatives and Senate voted to elect General Prem to be prime minister, it is understood that they did so because of General Prem's personal qualifications. He was known to be an honest person, or a man who was not corrupt. Even though he had been a minister in a government that was tainted by corruption, he had preserved his reputation. This was the first reason. Another reason was that because he held the position of commander in chief of the army at that time, it was thought that he would be able to handle the situation and that he would have the support of the military. Because a generally accepted fact is that, in Thailand, if the government does not have the support of the military, or army, it will not be very stable and will not be as secure as it should be.

However, even though the various political parties supported General Prem for the position of prime minister, concerning his administration after taking office, things went smoothly only at the beginning. After that, there were disputes and conflicts between the political parties that had joined together to support the government. This was not surprising since even though the political parties that had supported General Prem for the position of prime minister said that he was, for various reasons, the right person for the job, I believe that they were really thinking about the benefits that they could obtain in return. At a minimum, they would secure a cabinet position. And after obtaining a cabinet position, the next step was to try to use the power of their position to make profits in order to prepare funds for the next election.

The fact that General Prem has been able to get the members of his administration to carry out their tasks in administering the country for more than 2 years now even though he does not have a party of his own and has had problems with the political parties fighting among themselves should be considered to be a strength of his, even though the administration of the country has not gone as smoothly as it should have. And it may be because of this that people are calling on General Prem to continue on in politics after the term of the present government and the present parliament expires. This means that General Prem will have to stand as a candidate for MP, or have a political party in parliament as his base. And he will have to have many votes if he is to become prime minister again. The reason for this is that, when the temporary provisions in the constitution expire, it will no longer be possible to rely on the senators in passing resolutions to resolve important problems.

However, something worth noting is that even though there have been reports that the people in some provinces have called on General Prem to run for election and that some political parties have invited General Prem to become a member of the party, General Prem has not openly given an answer one way or the other and has just concealed his attitude with a smile. Thus, the first thing that must be determined is whether or not General Prem will continue on in politics. Because it is his right to continue on in politics or not; no one can force him one way or the other. And when his term expires, if General Prem decides to stay out of politics in order to rest or find some peace, the other problem will implicitly cease to be problems.

Since General Prem continues to conceal his intentions and shows reservations, it is only natural that people are interested in which party he will join and which province he will run for election in, if he decides to play politics.

As for the fact that General Prem has not said yes or no when asked whether he will play politics, that is, whether he will run for election in the next election, a lawyer would take this to mean that he will run, that is, that he will play politics and run for election in the next general election. This is because if he waited to run for election in some future election, his health would probably be a negative factor.

If General Prem runs for office in the 1983 general election, which will be held in accord with the present constitution, another problem is that he will

first have to have his own political party or become a member of some other political party. And that political party will have to be capable of fielding a number of candidates equal to at least half the total number of MPs to be elected.

As for the present political parties, if General Prem decides to become an ordinary member of some party, I do not think anyone would refuse to let him join. Not only would it be an honor for the party to have a member who is a former prime minister, but the party could expect him to be elected MP, which would increase the party's number of seats in parliament.

But at the same time, it would seem strange for a former prime minister to join a political party as an ordinary member. This is because, concerning administration in a political party system, normally, when a political party is elected and has the majority of the votes, the leader of that party is the one who forms the government, or becomes prime minister. But if a person who has been prime minister joins a political party, this means that he should become prime minister if that political party is elected as the majority party in parliament.

Thus, the problem is whether any political party would be willing to allow General Prem to become party leader since most political parties, especially the large parties that have been in several elections, already have a party leader and thus already have a person who would become prime minister if the party wins the election. It would not be easy for a party to suddenly change the leader of the party or give General Prem the position of party leader. At the very least, there would have to be a party conference to allow party members to discuss this and to see if they agree.

The fact is that there have been many reports of people inviting General Prem to become a member of their party. For example, during the time of the first cabinet reshuffle when General Prem brought several members of the Democrat Party who are MPs from southern provinces into the cabinet, there were reports that those members of the Democrat Party who had been made cabinet ministers invited General Prem to become a member of the party and to become the new leader of the party but that, by chance, this was against party regulations, which stipulated that the party leader must be an MP at present or must have been an MP in the past. In any case, the Democrat Party was certainly not willing to change the party rules just for General Prem. This is because the others of the Democrat Party do not come just from southern provinces. In any case, this matter died down. And later on when the party elected a new party leader, it elected a "mouth refreshment" merchant who had once been an MP for Bangkok and who had once served as minister of foreign affairs.

After this, there were reports that General Prem would become a member of the PDC (People's Democratic Party) since members of the party felt that if the president of the party retired from politics as he had said he would, (several) members would take over this position in his place. Concerning this, it seems that many important members of the party strongly objected to this since the members of the People's Democratic Party are mostly party allies and supporters.

and the position of party leader cannot be given to someone casually. Also, it is understood that such a story was leaked mainly in order to prevent certain people in the party from becoming party leader.

Then last Monday, Lieutenant General Sirisak Chantharakhup, the secretary-general of the prime minister, told reporters that some people really have sounded out General Prem about his becoming party leader. But he would not say which party. The only thing he would say was that it was neither an old nor a new party and that it was not the Social Action Party as people have said. Concerning this matter, the prime minister has neither confirmed nor denied things. He continues to remain silent and just smile. At the same time, [the secretary-general] expressed the personal view that the prime minister will run for election but it is still uncertain which province he will run in.

Considering the reports about the various movements that have been discussed above, the trend seems to be that General Prem will play politics in accord with the constitution, that is, he will run for election in 1983. The only thing that is not certain is whether he will form his own party or run for election in the name of some other political party.

I think that if General Prem decides to continue on in politics, he will probably form his own political party rather than become a member of some other political party. Because if he joins another party and takes over as party leader, the first thing is that some of the party members who helped form the party in the beginning will be unhappy over the fact that an outsider has come and easily taken over the position of party leader. Second, such an action would show that this is a party that attaches much importance to important people and that it does not attach great importance to the party's policies and ideals in accord with the example of political parties in democratic countries in general. This would also show that the party is ready to change party leaders without considering whether the people in general who support the party or the party members are in favor of this or not.

Concerning the fact that important people who once served as prime minister and who gained their political positions using military force, or "good fortune" as it is called, have turned to playing politics in a democratic way, that is, by forming a political party and running for election to the House of Representatives, or to openly prove their popularity with the people, I feel that this should be greatly supported. Besides the fact that this directly promotes the democratic system of government, it also sets a good example to encourage other knowledgeable and talented people to play politics within the system. This will also help get rid of bad and evil politicians who use dishonest methods and who purchase votes during elections.

The important thing is not to throw in large sums of money during the election as some former prime ministers have done. This way of doing things will not promote the democratic system of government. Rather, it will hasten the destruction of democracy.

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THAILAND

LAO-THAI BORDER RELATIONS SURVEYED; SMUGGLING, SHELLING NOTED

Bangkok PATINYA in Thai 7 Jun 82 pp 12-15

[Article: "The Situation Along the Mekong River: Nakhon Phanom"]

[Text] This river has its origins in the high plateaus of Tibet. It flows through China and past northern Thailand, and in the northeast it forms the border between Laos and Thailand. These two countries used to be fraternal countries. But after Laos changed its government and became the Lao People's Democratic Republic (communist) in 1975, with Vietnam controlling things, this river has constantly been the scene of various crises that have been in the news. This refers to the clashes here between the Mekong River Operations Unit (MROU) and Lao soldiers. Such clashes have occurred in both Nong Khai and Nakhon Phanom provinces. And last month, at 1900 hours on 26 April, there was another clash in the middle of the Mekong River and an Aksok-type MROU boat, No 332, was shelled by Laos. One [Thai] official was killed, one was seriously wounded and one other is missing and presumed dead. As for the cause of this clash, the military announced that this took place because this MROU boat, which was patrolling near Ban Na Po in Mukdahan Commune, Mukdahan District, Nakhon Phanom Province, which is about 4 kilometers from the MROU [base], discovered a row boat coming from the Lao side of the river. It thus stopped the boat to make a search. The people in the boat jumped overboard to flee. The boat was seized and one gun was found on board. The boat was then towed behind in order to take it back to the base. As the MROU boat was passing a sandbar in the middle of the river, a Lao force of unknown size using machine guns fired on the Aksok boat. This is why one Thai official died. But PATINYA went and questioned people close to the scene and local people and has learned that the Thai MROU boat was fired on because it went to inspect a row boat that was in the middle of the river. When the MROU boat came alongside the boat, officials went to search the boat and saw one gun at the prow of the boat. Shots rang out from this boat while the guns on the MROU boat were unmanned. This is why officials were killed and wounded. This account by an official does not match the account given by the military. And after chatting together, one official from the provincial office said that this row boat was bringing the gun to the Thai side to give it to the communist terrorists. But when the boat was discovered by the officials and they came to make an inspection, the Lao side opened fire on the MROU boat. PATINYA feels that this is probably incorrect since the CPT still follows the Chinese line and is probably not

receiving any support from Vietnam or Laos, as it once did. The CPT has not even held its Fourth Party Congress in order to set forth its policy. Thus, it is unlikely that it is receiving help from Laos, which is the underling of the Soviet Union and Vietnam. But another news source close to the event revealed that this was a matter that involved smuggled goods. It frequently happens that MROU boats that are following boats carrying smuggled goods cross over to the Lao side of the river and this results in Laos firing on the MROU boats.

From the information provided by the various news sources, it is still not possible to provide a clear explanation of why this happened since the reports conflict. Even different people in the government have given different accounts. For example, the interview with the governor of Nakhon Phanom Province does not provide any information because the governor himself does not know for sure whether it was red Lao men or smugglers who fired on the MROU boat. The people of Nakhon Phanom are confused by the reports, and the inconsistent replies by Thai officials have disappointed and discouraged the people who live in this border area. For example, 2 months ago, six youths approximately 15-16 years old paddled a boat out into the middle of the Mekong River. And in the exuberance of youth, they sang patriotic songs and shouted at those on the Lao side, saying how much they hated communism. Laos fired at them and the boat overturned. Lao soldiers came and arrested these youths and kept them in jail for more than a month before releasing them. While they were in Laos, these youths were subjected to both psychological and physical torture. For food, they received a ball of sticky rice, the size of a fist, twice a day. Sometimes they were given other things to eat with the rice but other times they were not. Even though their relatives sent food and clothing to them, which were picked up by Lao officials, the youths never received anything. When they were released after more than a month of making contact, one of the youths suffered a nervous breakdown, for reasons that are not clear. And Laos announced that these youths had gone to visit relatives without having obtained permission and so Laos had arrested them. But people there stated clearly that Laos had fired on and arrested these youths. Thai officials did nothing, and this has made people feel that the government is always at a disadvantage in whatever it does and that it is always being tricked by others. What is worse, they may feel that the government has some agreement with Laos that results in Laos always having the advantage over us. But as for this clash, from what those who witnessed it have said, the most likely reason seems to be because of illegal trading.

Smuggling

After Laos turned communist, starvation and shortages of daily necessities became severe among the people there. There was thus a great demand for various items because of the shortages. This caused some people in the Mekong River border provinces to think about becoming rich and so people began to engage in smuggling. Before Laos turned communist, it had carried on trade with Thailand on a regular basis. Since Laos does not have any sea ports, various goods had to be purchased from Thailand and other countries such as the United States

and France. But today these countries are no longer providing any aid. Even though Thailand has opened a few [trading] points, such as at Mukdahan, these are not sufficient to handle the amount of goods needed by Laos. Thus, trade between Thailand and Laos is carried on secretly and illegally by Thai merchants and representatives of the Lao government.

How Is the Trade Carried On?

In Nakhon Phanom Province in particular, they carry on illegal trading activities almost everywhere that they can. But a new point is Atsamat Commune in Muang District, Nakhon Phanom Province. Much illegal trading takes place in the southern part of Muang District (which includes the suburban areas of the district) -- the people refer to this area as the "southern village" -- in the Khum Wat Klang, or Hat Sai Thai Muang, area and also at Ban Saen phan. This is because the Mekong River area is composed of sandbars and islands. The islands all belong to Laos; they were taken from Thailand by France when it was in control of Laos. The trade is carried on by people in the province whom investors have hired to transport the goods. Sometimes, the villagers engage in this by themselves. They have someone row across and make contact with those on the Lao side and ask them what kinds of goods they need. They usually go in the middle of the night and arrange points to deliver the goods to on that side. They then return and prepare the goods for shipment. Trade is conducted with merchants with whom they are well acquainted. But if very large quantities of goods are sold, these people become suspect. Or sometimes the merchants hire these people to transport the goods for them, paying them each 500-1,000 baht depending on the price of the goods that are being shipped. If it is a large shipment, they pay more. The goods that were shipped at first were mostly foodstuffs, medicines, sugar and monosodium glutinate, which are in great demand. From talking with those who transport these smuggled goods, it has been learned that much sugar and monosodium glutamate is shipped because they can use these items to stop bleeding or heal a wound. But at present, news sources say that the things that Laos needs are motorcycles and parts. (I do not know if this is the reason why motorcycles are frequently stolen in Nakhon Phanom Province or whether they are taken and sold willingly to Laos.)

Goods are transported during the night until dawn since this is the time when they are safe from MROU officials and the river police. The goods are taken to the points agreed on. If they are taken to the wrong place, the Lao side will not take responsibility. But if they are taken to the point that was agreed on, once the goods leave the Thai side, MROU officials can do nothing since if they cross the river, Laos immediately fires on them. Those who transport such goods mostly use long boats since they can reach the Lao side in 5 minutes. Once the goods have been taken ashore, the merchants who made contact with each other come and inspect the goods and bargain over prices. If an agreement cannot be reached, someone else will come to purchase the goods. (There are many merchants in Laos and smuggled goods are sold using bids.) Once there is an agreement, the money is paid. Profits reach 100 percent or more. For example, if an investor from Thailand sets the price at 90,000 baht, the price

of the goods in Thailand is about 40,000 to 50,000 baht. Those who transport the smuggled goods may set the price at 100,000 baht and the extra 10,000 baht is their profit for transporting the goods. One part of the payment will be paid in cash and the rest will be paid in gold chains, gold rings and wild animals. After the goods have been sold, they have to look for a good way to return to the Thai side. If they do not think things are safe, these people will stay on the Lao side for awhile or they will go sightseeing in the towns with Lao soldiers as their guides. But they must not travel in a showy way or they will be arrested. The situation in Laos is the same as that in communist countries in general. There are restaurants for foreigners that Lao people cannot eat at and there are food quotas for each family. The people there have told the smugglers that it is best if they wear shorts since the way people dress in Thailand is a new fashion and they do not want their people to see anything out of the ordinary.

The Important Obstacles Of the Movement

The people in the province have more confidence in the MROU than they do in other units because it has discipline and because it has carried on suppression operations against the smugglers resolutely and continuously. But among the good people, there are still some who lack understanding and who frequently receive profits. The smugglers encounter problems when the MROU boats that are on patrol are unwilling to take bribes. The smugglers are very afraid of the suppression activities since, these days, when MROU boats catch a smuggler, they usually shoot him immediately. One smuggler said that "we are really afraid. If we hear an MROU boat coming, we jump overboard immediately to save our lives. Otherwise, we would die since after you can hear the sound of the boat, it takes only a few minutes for it to reach you." As for the marine police, they achieve very little. The things they have done have not helped the people very much.

Even Though People Die, the Trade Continues

Those who smuggle goods risk going to prison because this violates the country's laws. Such trade is harshly suppressed by the officials but it is impossible to put a stop to it because of the lure of making great profits quickly. In particular, those who transport the goods are young people who have finished only Grade 7, or M.S. 3 [lower secondary school] at most. They do not have regular jobs and live from day to day. Since this is what their lives are like, they turn to smuggling. Even though several of their friends may have been killed, they continue to engage in this, although they are more careful. And those on the Lao side have never betrayed them. Such smuggling will continue.

The Way To Solve the Problem

Most of the clashes between Thailand and Laos have arisen because of smuggling. When MROU boats follow the smugglers to arrest them, Laos will fire warning shots so that the smugglers can reach their side. The government could solve this problem if it would implement a policy of neutrality and really act neutral.

by carrying on trade with Laos as normal. At present, only a few trading points are open. Since these are insufficient, the smuggling continues. But when normal trade is opened, the trading activities that are now illegal will be legalized and this will help expand both the national and local economies. At present, Singapore, which is a very close friend of Thailand, is carrying on a large volume of trade with Indochina. Why is Thailand still hesitating since we have an excess of agricultural and industrial goods and the market for these goods is right next door? We should not fear them in the matter of ideology. And we should not have to refuse them because of pressure exerted by the great powers who are enemies of Indochina.

Summary

Clashes still occur frequently but they are not reported in the press because the losses are small. If the losses are large, there is much news about the clash. The people are used to this and they are not alarmed by the clashes. There is just some talk for a short period and then the matter dies down again. Such clashes will continue to occur as long as the government fails to implement a correct and efficient policy. But a single clash could develop into a people's war, which would not be good for the country. The government must review and correct its policies that concern the Indochina countries, especially Laos so that it can have fraternal relations with us like before instead of forcing Laos to have to rely on Vietnam. The easiest way is to open the border and have trade and contact as usual.

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THAILAND

EDITORIAL QUESTIONS ANTI-SRV KHMER COALITION ATTEMPTS

Bangkok PATINYA in Thai 7 Jun 82 pp 1, 2

[Editorial: "Joining the Three Khmer Factions Together -- Who Is Crazy?"]

[Text] Thailand's official attitude concerning the problems in Kampuchea is that the problems in Kampuchea are the affair of the Kampuchean people. But in practice, Thailand has had to take part in the movement to oppose the expansion of Vietnamese-Soviet influence in this region. This is because of the fear that Thailand will experience the same situation as Kampuchea in the future. Thus, the "blaze" must be contained from the very beginning. And we must not be "seduced" by the great powers who are enemies of the Soviet Union but who do not dare confront the Soviet Union directly. They thus want to exert pressure on the small countries to work for them in destroying the other's influence at the regional level. And what is used like a magic incantation to guard against criticism are the resolutions of Asean and the United Nations, which are used to explain the actions taken and show that they are just. But the direct effect on Thailand is that these actions put Thailand in an even more precarious position from the danger of war with the Indochina countries.

The new task to which the leaders of Thailand have attached much importance is the attempt to join the three Khmer factions. The clearly stated intention behind this is to have them oppose Vietnam in Kampuchea. And because of this great effort, Thailand has played a role that is no longer neutral.

Concerning the idea of uniting the three Khmer factions, looked at superficially, this seems to be a very easy thing to do since each faction is the enemy of Vietnam. But looking at things more deeply, it can be seen that this is like trying to mix water and oil. Even without any special factors, it would be difficult to unite them. This is because there are fundamental differences between them. For example, they have ideals and ideologies that are directly opposed to each other. Even though they have set aside their ideals and ideologies, each side knows that there will be problems over ideals in the future. Another thing is that each side has a history of pain, from the killings, that each side has inflicted on the other. When Sihanouk was in power, he had members of the Khmer Rouge killed, and when he was overthrown, the Khmer Seri killed members of the Sihanouk faction. Then when the Khmer Rouge won, they killed members of both the Sihanouk and Khmer Seri factions. Even after Vietnam invaded

Kampuchea, there was constant fighting between the Kampucheans. Thus, past attempts to unite the three Khmer groups have always failed. Several of the ASEAN countries have become fed up and "washed their hands" of the matter. But the leaders of Thailand have not given up their attempt to unite the three Khmer factions. Furthermore, they have even increased the conditions for uniting the groups by trying to help the Sihanouk and Khmer Seri groups, which have fewer forces, obtain positions that are more important than those of the Khmer Rouge, which has larger forces and which has played a greater role in opposing Vietnam. Thus, almost nothing has been achieved. The Khmer Rouge and China, which would greatly like to unite the three Khmer factions, have refused these conditions. If the Khmer Rouge accepted these conditions, it would be crazy. The ones who have accepted the proposals are Prince Sihanouk and Son Sann since someone is giving them something for nothing. These two groups would be crazy if they did not accept.

The latest failure should be a good lesson to those who are trying to unite these three Khmer factions. It should teach them to stop. In an interview with the mass media, Air Chief Marshal Sitthi Sawetsila said that "from now on, we will just let them fight among themselves." This is the correct approach. This is a statement that should have been made by the minister of foreign affairs at the very beginning. We would not have wasted the time and money that we have or lost honor. However, this lesson has still been worth the cost if Thailand's leaders turn away in time. This is better than stubbornly trying to unite the three Khmer factions, which would mean that Thailand and ASEAN would become irreversibly bogged down in the war in Kampuchea. Because besides having to provide political support, other types of support would also have to be provided. This would make it seem that Thailand and ASEAN are the ones who are trying to interfere in the internal affairs of another country. And it might even lead to an international war in this region at any time.

This retreat from trying to unite the three Khmer factions will give the Thai leaders time to consider a really neutralist policy and a policy of having friendly political and trade contacts with the Indochina countries. This would reduce the tension along the border and allow Thailand to engage in trade with and earn an income from the Indochina countries. As for the fear that the Indochina countries will invade Thailand if they become strong, there is nothing to worry about if we quickly mobilize all our forces and develop the country so that it is stronger on all fronts. We can do this without much difficulty since, at present, Thailand has a much greater headstart than the countries in Indochina, except for the fact that Thais do not believe that they can build up the strength of the country. Thus, we must continue to divide our enemies as we have done before. But if our enemies should become strong, everyone in the country will be nervous.

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THAILAND

RECRUITMENT OF 'SECURITY GUARDS' FOR IRAQ DISCUSSED

Bangkok SIAM RAT in Thai 28 May 82 p 3

[Article by Khondong: "Security Work In Iraq"]

[Text] Here, I would like to inform all those Thais who are thinking about becoming mercenaries that a company, which did not reveal its name, has distributed mimeographed forms widespready saying that it is accepting applications from qualified Thai males, ages 26 to 36, who have been in the military, and who have preferably had combat experience, and who will not get homesick -- that is, when the airplane leaves Don Muang Airport, they will not be talkative but will sit quietly the whole trip -- to go serve as "security guards" in Iraq.

If they have the qualifications, a 1 year contract will be signed and, if they have been soldiers before, they will receive a monthly salary of 10,000 baht for serving as guards. They will receive a roundtrip airplane ticket free. Passports are not free; passports will be arranged but a fee will be deducted later. Room and board will be provided free by the Iraqi government. Hospital expenses are free. The Iraqi government will pay for any injuries sustained while on duty. If someone is injured and disabled, they will be treated free of charge and artificial limbs and organs will be provided free (although some organs cannot be replaced with artificial ones). If a person is killed, the body will be returned to Thailand so that his relatives can make arrangements.

Those who go will receive an advance payment equal to 10 times their monthly salary. But the employment agency will deduct 30 percent of the monthly salary as the fee for the company. The Iraqi government will pay 70 percent in Thailand through the banks and pay the other 30 percent in Iraq. As for the advance payment, the company will put it in the account under the name given by the applicant. The person can withdraw this money only after he has worked for 3 months.

Concerning this work, this company says that it has a contract with the Iraqi commerce sector and that people will be sent in June of this year.

I read this with great sadness. The city of Khorramshahr was recently destroyed and Mr Saddam Hussein went and asked Egypt to help Iraq. Egypt said that it would provide guns. However, its people fight all right at home, but whenever they fight outside the country, there is the possibility that they will be routed and return home, as happened in Germany. Since Iraq had large numbers of weapons but no one to use them, it had a problem. And so Iraq consulted with clever people who suggested that they look for people in Thailand since the people here like to work in the Middle East and their talents are well known. But I don't really know what they are well-known for.

However, I am suspicious about these security guards, or this security work, in Iraq. An advance payment equal to 10 times the monthly salary will be paid. This is very similar to what happened when the United States fought Vietnam. Many people from Thailand disappeared. For example, many were lost in the fighting at Thung Hai Hin and Long Chaeng. These people earned much money and their families had much money since they had gone to do "security work."

As for those in Thailand who arrange security jobs, excluding such jobs at the banks and large companies, which I am not concerned with here, I am referring to those who arrange security jobs abroad. From what I have seen, many clever people who are well-known and who have high positions have gone and made large sums of money and many have returned and bought election votes.

Thus, it is probably a good guess that this security work in Iraq involves maintaining the security of Iraq since the government is so generous that it will even help with the funeral arrangements. Actually, there are many bomb craters in Iraq and the dead should be buried there in accord with the local customs. The only thing necessary is to put the dead in one of these holes and cover it up. Nothing fancy is required since there are no dogs there.

This is a matter that the Thai government must think about. It must consider whether it will allow them to lure Thai men who have been in the military to go maintain the security of other countries. The good thing about this is that foreign currency will flow into the country and into the pockets of the common people who are having trouble finding work. But if it happens that our country becomes insecure, can we ask these Middle Easterners to come maintain security here on a reciprocal basis? Will they help us?

The government cannot forbid this because people have the right to do this. In accord with the constitution, people can go work elsewhere, even if this results in their death. Many people have gone and sold themselves and the government has done nothing. And since the Iraqi government has provided so much help, what can [the government] do to stop this?

Other countries too have allowed their citizens to go perform security work like this. Many people have gone. There are Englishmen and many Frenchmen, almost all of whom are foreign legionnaires. But they go to serve quietly without making a hue and cry. As for those who have provided security for other countries and made a great noise about it, there are the large number

of "security guards" from Cuba in Africa, the 80,000 Russian "security guards" who went to help the government of Afghanistan, the 200,000 Vietnamese "security guards" who went to help the Heng Samrin government in Kampuchea and the 20,000 to 30,000 Vietnamese in Laos.

The final case of others going to help maintain security is in the Falkland Islands of Argentina where another 10,000 were sent in to "help" Mrs Thatcher look after the islands. Many are dying there every day.

The Thai government must think and act swiftly. It has gone to the trouble of investing millions of baht to call up reserves to train with new weapons and to mobilize soldiers to be ready [for combat]. Should these people be allowed to go provide security for some other country at a time when there is trouble everywhere just outside our country?

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EDITORIAL CONDEMNS RECRUITMENT OF MERCENARIES FOR IRAQ

Bangkok MATICHON in Thai 1 Jun 82 p 4

[Editorial: "Thai Mercenaries"]

[Text] Even though the Ministry of Foreign Affairs and the Department of Labor once denied the reports that Thais are serving as mercenaries in the Middle East, saying that these stories are groundless, Songtham Panyadi, an MP from Chiang Rai who is a member of the Siam Democrat Party, revealed that, at the Chiang Rai provincial trade center, a private company has announced that it will accept applications from 300 reservists for combat service in Iraq. This is the first clear concrete example. Even though this is a great disgrace to the country and people, the truth of this must be admitted, and we must help each other find a way to solve this problem.

Thais once became rather well-known throughout the world as mercenaries in the Indochina war, regardless of whether this happened in response to the policy of "fighting the battle outside the country is better than having to fight it in our own country" or whether it was a type of war business of Thai military warlords. But that is in the past. The thing to be careful about is to not let this past mistake happen again. In the case of Thais serving as mercenaries in Indochina, speaking idealistically, it can be claimed that they went and fought to oppose communism. But as for Thais serving as mercenaries in the Middle East, no idealistic claims can be made. They are really selling their lives and human dignity for money.

The Labor Department and the Ministry of Foreign Affairs must take an interest in this and quickly investigate things in order to report the facts to the Thai people in general. The purpose in doing this is not to preserve the honor of the Thai people. Rather, the thing that is worrisome is whether those Thais who have agreed to serve as mercenaries abroad have any guarantee that they will not be cheated or charged unfair application fees or broker fees by the agent companies. This is what happened to many Thai laborers in the Middle East and Singapore, who were cheated by these agents and greedy people.

Our country can be called a developing country. In accord with the Fifth National Economic and Social Development Plan, the goal is to develop the country and transform it from an agricultural society into a semi-industrialized and modern country. Admidst this growth and development of the country, our exports include

other items besides just rice, tin and para rubber. There is also a trade in drugs, prostitutes, children, laborers and mercenaries. Even though these latter items earn huge sums of money for Thai merchants, they also reveal the flaws in Thai society, flaws which neither the government nor the people should be at all proud of. But these problems cannot be solved by concealing them. They should be recognized and solved in a responsible manner together.

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THAILAND

RURAL ECONOMIC HARDSHIP, LOW AGRICULTURAL PRODUCTIVITY NOTED

Bangkok MATICHON in Thai 31 May 82 p 3

[Article: "Are Thailand's 'Poor' People Still Eating 'Salt'"]

[Text] I do not know whether to call Thailand a developing country, a rapidly developing country or an underdeveloped country or whether to refer to it in a way that reflects its social characteristics, that is, as an agricultural country that will soon become an industrialized country.

But a very harsh truth about Thailand is the poverty and backwardness here.

The Office of the National Economic and Social Development Board conducted a survey and wrote a report on village-level poverty in various regions in Thailand, including the upper north, the lower north, the upper northeast, the lower northeast and the south.

The Office of the National Economic and Social Development Board stated that, from the survey conducted in villages in the poverty-stricken areas of provinces in the various regions, it was learned that the causes of poverty and the degree of poverty are different in each region.

What are the differences? The following paragraphs will inform [readers].

The Upper North, the Cause Is Farm Land

The survey was conducted in 34 poverty-stricken villages in 22 districts in nine provinces: Chiang Mai, Lamphun, Lampang, Chiang Rai, Mae Hong Son, Phayao, Tak, Phrae and Nan.

It was learned that most of the houses in these poor villages had roofs thatched from nipa and banana leaves. Of the villages surveyed, 70.6 percent were located in forest reserve areas far from communications routes.

The important cause of the poverty here is the limited amount of farming land. The small agricultural plots average only 7.7 rai per family. And most of the land is high, steep land.

In the poor villages located in the plains that can grow and sell rice, the yearly income is only about 4,500 baht per family.

Besides this, the rice yields are insufficient to satisfy consumption [needs].

As for the families that work for others, these rural people are the poorest group in this region since they do not have any land of their own to work. About 23.5 percent of the rural families can earn 15-30 baht per person per day by working for others.

The Advantage From the Natural Resources

The advantage that the upper north has over other regions is that the natural resources here provide an important supplementary and primary income for the poor people here.

More than 50 percent of the rural families in this region earn an average of 300-600 baht from gathering bamboo shoots, mushrooms, banana leaves and euphorbiaceae.

Besides this, they earn money from the forests -- hiring themselves out to fell trees, saw timber and gather forest products.

However, the economic system that is attached to these natural resources will end someday. Even today, only a few families rely on these natural resources.

The Lower North, Less Severe Than the Upper North

The survey was conducted in 19 villages in 11 districts in the seven provinces of Uttaradit, Sukhothai, Phitsanulok, Kamphaengphet, Phetchabun, Nakhon Sawan and Uthai Thani.

It was learned that the situation in the poor villages in the lower north is somewhat better than in the upper north. That is, fewer than 40 percent of the houses have roofs made from nipa or banana leaves. Most of the houses have roofs made of aluminum. Forty-seven percent of the villages are located in forest reserve areas.

The poverty of the villages in this region is less severe than in the upper north because the [people's] income here is higher. This is because the plots that are owned are larger. The farmers in the poor villages have an average of 28 rai of farmland per family.

And fewer families, only 10.3 percent, work for others. Those who work for others earn 30-40 baht per person per day.

Although Incomes Are Good, Public Health Services Are Poor

Formerly, the lower north was considered to be an area that was rich in forest resources. But during the past 20 years, people from other areas came in

and destroyed much of the forest reserves. Thus, incomes from forest activities have fallen.

Today, poor people in only two or three provinces, such as Sukhothai, Phetchabun and Uttaradit, earn a living from making items from rattan and "mai kwat" grass, making charcoal, and cutting timber. It is estimated that they make between 1,300 and 3,500 baht per family per year.

Although they are rather fortunate in the matter of land ownership, the poor villages in the lower north have a problem with a shortage of social services. That is, the public health services in general are still poor and educational opportunities above Grade 6 are still very poor.

The Upper Northeast, Salty Soil and Reliance On Rain Water

The survey was conducted in 60 poor villages in 29 districts and two subdistricts in the eight provinces of Kalasin, Khon Kaen, Nakhon Phanom, Maha Sarakham, Loei, Sakon Nakhon, Nong Khai and Udorn Thani.

It was found that most of the houses had aluminum roofs. This does not mean that the poor people in this region are well off. Rather, the reason for this is that such natural resources as napa leaves and grass that can be used to make thatch roofs are very difficult to obtain.

The reason for the poverty here is that rain water must be relied on to carry on agricultural activities and the quality of the soil is poor. For example, the soil is salty, friable and sandy and cannot hold water for very long and this results in water shortages. But even though the people are poor, a very high percentage, 83.8 percent, of the families own their own land.

The Poorest Families; Small Supplementary Incomes

The very poor families in this region include the families engaged in farming.

The survey found that more than half of the families, 53.4 percent, were engaged in only one occupation [rice farming]. Another 30.6 percent were engaged in both paddy and crop farming. The other families worked for others or were engaged in crop farming only.

The families in this region who work for others earn a daily income of 20-25 baht per person.

The survey found that approximately 28 percent of the families earn a supplementary income. The work that provides the highest supplementary income is cutting logs, which provides a yearly income of 1,600 baht. But only about 3.3 percent of the families earn such a supplementary income.

In general, most, about 8.8 percent, of the poor families in the upper northeast who earn a supplementary income do so by making baskets. A fewer number gather bamboo shoots and catch fish.

Besides this, approximately 43.8 percent of the poor families grow crops outside the rice-farming season for home consumption.

The Lower Northeast, the Problems Are More Severe Than In the Upper Northeast

The study was conducted in 42 villages in 20 districts in the six provinces of Ubon Ratchathani, Sisaket, Yosothin, Roi Et, Chaitaphum and Nakhon Ratchasima.

It was found that almost 55 percent of the families were living in forest reserve areas and most were local people. As for their homes, 85.7 percent of the families had houses with roofs made from aluminum. The reason for this is the same as in the upper northeast.

Most of the villages have a water shortage problem, especially during the dry season.

Poverty is more severe here than in the upper northeast. That is, besides the problem of having to rely on rain water, rice yields per rai are lower and the plots are smaller.

Although Rice Is Grown, Rice Must Be Purchased. Poverty Alleviated By Migrating

From the survey, it was learned that approximately 65.6 percent of the poor people own their own land. Approximately 5 percent rent land and 16 percent of the families work for others.

Approximately 66.2 percent of the families that grow rice must purchase rice for consumption.

Even though the people in this region are poorer than those in the upper northeast, concerning the level of education, it appears that almost twice as many people in this region as in the upper northeast, that is, approximately 2 percent of the total population here, have gone beyond Grade 6.

However, families from both the upper and lower northeast try to alleviate their poverty by temporarily moving to the large cities and to Bangkok in search of work during the nonagricultural season.

Poverty-Stricken Villages In the South. Rice Farming Is Primary

The study was conducted in 20 poor villages in 27 districts in the five provinces of Pattani, Nakhon Sithammarat, Songkhla, Satun and Phathalung.

It was found that most of the local people cultivate rice. The family-owned plots on which the rice is cultivated, by relying on rain water, are very small, averaging only 10 rai per family.

Yields are rather low, averaging about 20 tang [1 tang equals 20 liters] per rai. This is not enough for family consumption.

One serious problem is the shortage of water for domestic use. The reason for this is that because of the geographical characteristics, sea water is able to get into the various fresh water sources and turn the water salty. And the water used to flush the ore from the mines makes the water dirty and unfit for use.

A Characteristic Of Poverty -- Much Cash Is Needed

Because the rice yields are rather low, the families in the rural areas have to find other jobs to supplement their incomes.

One secondary occupation that is very popular is small-scale fishing. This is because they live near the sea. Some people work for themselves while others work for others. The yearly income is approximately 10,000 to 20,000 baht per family. As for those families who do not live near the sea, each family earns approximately 5,000 to 6,000 baht a year by making sugar from the palmyra palm.

Another way that people earn additional income is by working for others in the localities or in nearby provinces. For example, people hire themselves out to extract rubber sap.

In summary, a characteristic of the south is that people must rely on earning a large supplementary cash income. And even though there are few poor people, it was found that there are dense clusters [of poor people] in each locality.

The Three Stages of Development. What Is Involved?

Mr Sanoh Unakun, the secretary-general of the National Economic and Social Development Board, once discussed the history of economic development in general. He said that there are three stages:

In the first stage, most of the people live in rural areas. The growth of the small cities must be supported so that the cities gradually grow.

In the second stage, after the cities have begun to grow, if the countryside cannot support them, they will collapse. Thus, the countryside must be supported so that it makes progress too. [We] must start to give help to the rural areas.

In the third stage, after the cities and industry have expanded, the expanded production must support the rural areas. There will be fewer people in the rural areas since people have come to the cities to engage in various service activities. Most people will be working outside the agricultural sphere.

Which Stage Is Thailand In and which Way Will We Go?

Mr Sanoh stated that "at present, Thailand is in the second stage. If we ignore the poverty in the rural areas and just keep taking resources from the rural areas to support the urban people and if the urban people are wasteful and

do not expand production to help the rural areas, we will not get past the second stage.

And what would Thai society be like, some people might ask:

Mr Sanoh said that "it would slip back into the first stage. Thus, at present, we must build up industry in order to support agriculture in the rural areas."

Even though the survey conducted by the National Economic and Social Development Board did not go deeply into one of the factors that causes poverty, that is, that some "people" have caused others to be poor, the data and facts have given all people a better understanding of poverty and the situation in the rural areas.

This is one of our harsh realities.

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AIR FORCE CONTEMPLATES EXOCET PURCHASE

Bangkok MATICHON in Thai 2 Jun 82 pp 1, 12

[Article: "Lessons of the Falkland Islands War Used to Claim That Thailand Must Upgrade Its Tactical Weapons"]

[Text] The Thai air force wants the "exocet" and has made plans to purchase new weapons. Regardless of the cost, it wants good weapons.

Before going to attend a cabinet meeting yesterday morning, 1 June, Air Chief Marshal Phanieng Kantarat, the deputy minister of defense, discussed the war between England and Argentina and Argentina's use of exocet missiles to destroy English warships. He said that this provided a lesson for us in the use of naval weapons and air forces. England has arranged its combat forces in accord with the Nato model, that is, combat that relies on having the cooperation of several other countries. But because England engaged Argentina by itself this time, using only naval forces, its air capabilities sagged and finally collapsed.

A reporter asked whether the Thai air force would employ exocet missiles. Air Chief Marshal Phanieng replied that we must first consider who our enemies are. We have very little money, and there are several types of exocet missiles. We must consider the fact that if we purchase them and do not use them, it will cost a lot to maintain them. During the next 3-4 years, we must check things and purchase weapons for our defense. We should do things in accord with the nation's circumstances.

"This war has provided information concerning the efficiency of the weapons. At the same time, we must determine which weapons are suitable for our country. The Falkland Islands war has given us information," stated the deputy minister of defense.

The reporter asked whether the 1983 budget has allotted money for the purchase of additional weapons. Air Chief Marshal Phanieng stated that our military has a long-term plan to purchase weapons every 10 years. Things must be discussed among all four military services so that we benefit as much as possible when we purchase weapons. At the same time, we revise the plans every year since

the world situation changes and the weapons in use have greater efficiency. The Falkland Islands war has made it necessary for us to review our plans for purchasing weapons.

"This matter has been discussed by high-ranking officers. As for purchasing war weapons, from now on weapons that bring the greatest benefits are to be purchased even though they may be expensive," said Air Chief Marshal Phanieng.

Admiral Praphat Chanthawirat, the deputy commander in chief of the navy, said that we had three sets of exocet missiles, with each set having four missiles, for a total of 12 missiles. But at present we have only 11 missiles left since we fired one of the missiles in practice. We must purchase additional missiles since our coast along the Gulf of Thailand is very long and we [want] to have weapons that will make the enemy think hard.

As for whether or not the military will purchase exocet missiles and place them on aircraft, Admiral Praphat stated that this has been considered. But we have not done so because if these missiles are purchased, we must also purchase Super Etandard aircraft. But the aircraft that we now have are sufficient to fight the enemy. "We have placed our missiles on ships while Argentina armed their aircraft with these missiles. Every type of equipment has weaknesses. The important thing is how things are maintained. Each of these missiles costs 34 million baht, but if one of them can sink a large warship, it is worth the cost" said Admiral Praphat.

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